

# The NATIONAL UNDERWRITER

*Life Insurance Edition*

## *Congratulations*

TO OUR **61** MILLION DOLLAR ROUND TABLE REPRESENTATIVES

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*Massachusetts Mutual*

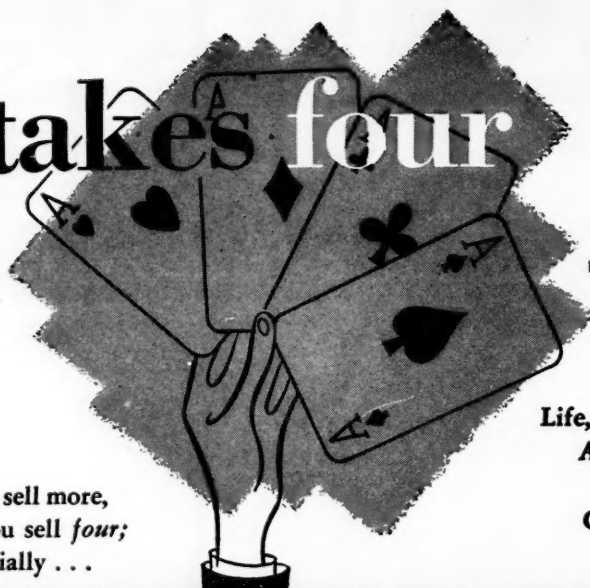
ORGANIZED 1851

Owned by its policyholders — Operated for them.

LIFE INSURANCE COMPANY  
SPRINGFIELD, MASSACHUSETTS

FRIDAY, JULY 25, 1952

# it takes four



You'll sell more,  
when you sell *four*;  
especially . . .

*Hearts, Diamonds, Clubs, Spades*  
-it takes *four* suits to complete a deck.

It takes *four* types of insurance  
to complete an insurance agent's service,  
with today's ever-increasing demands  
for personal protection.

Look into INTER-OCEAN's *Four*:  
Life, Disability, Hospital, Medical Expense.  
And all four can be offered *four* different  
ways: Weekly Premium, Ordinary,  
Commercial A & H, Group. *Four* plans,  
*four* ways. That's Inter-Ocean!

## INTER-OCEAN's

# 4

- LIFE
- DISABILITY
- HOSPITAL
- MEDICAL EXPENSE

INTER-OCEAN INSURANCE COMPANY • Established 1903 • Cincinnati 2, Ohio



### QUALITY INTEGRITY STABILITY

What the man who buys  
and the man who sells  
have a right to expect  
in their life insurance  
company.

## WEST COAST LIFE

INSURANCE COMPANY

HOME OFFICE • SAN FRANCISCO

LIFE • ACCIDENT • HEALTH • GROUP

## BUILT UPON A SOLID FOUNDATION



Our 238 Junior and Senior Dynamo Club Members averaged  
over \$350,000 of Ordinary Life business during 1951

### WE HAVE:

### Here's The Reason

- A. A WELL-TRAINED SALES ORGANIZATION
- B. ARMED WITH EXCELLENT SALES TOOLS and  
HIGHLY COMPETITIVE SALES MERCHANDISE
- C. A LIBERAL COMPENSATION PLAN . . . INCLUDES

- 1. Free Hospitalization
- 2. Group Insurance up to \$6,000
- 3. A Non-Contributory Pension Plan
- 4. Disability Benefits

### Four Decades of Progress (1912-1952)

- 1. An all time high in new sales, \$116,000,000 in 1951 (Includes re-instatements and revivals)
- 2. Half a billion dollars of insurance in force
- 3. Complete mutualization
- 4. The completion and occupancy of our new \$3,000,000 Home Office building.

The progress of Pan-American Life Insurance Company is measured by the ability and success of its agency organization.

CRAWFORD H. ELLIS  
President

EDWARD G. SIMMONS  
Executive Vice-President

KENNETH D. HAMER  
Vice-President & Agency Director



For Information Address  
CHARLES J. MESMAN  
Superintendent of Agencies

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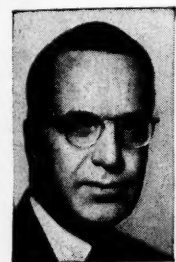
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## N. W. Mutual First Half Sales Up 14.7%, Other Gains Made

### New Agents' Compensation Plan Is Announced at Milwaukee Convention

MILWAUKEE — An improving net yield on investments, before federal taxes, and an increase of 14.7% in sales featured the operations of Northwestern Mutual Life during the first half of 1952. The six months' record in mortality indicates that the death rate among policyholders for the year will be one of the lowest in the company's history. This was reported by President Edmund Fitzgerald at the annual meeting of trustees here Wednesday afternoon, following the three-day meeting of the company's Assn. of Agents.



E. Fitzgerald



G. L. Hill

A new agents' compensation plan was announced by Grant L. Hill, vice-president and director of agencies, at the agents' meeting. All full-time agents will now be eligible to receive an added 5% first-year commission, graded by type of policies, on all new business written, regardless of policy size.

The new plan involves other changes in first-year and renewal commission resulting from adjustments in the commission scale. The majority of these changes are upward, and, while some are downward, the net effect is a further increase in commissions paid.

**Two Plans Offered**  
A choice of two new agent's contracts is offered under the new plan. First, the present eight-vested renewal contract, with first-year commissions increased from 50% to 55%, graded, and, second, a new nine-renewal contract, with the last five renewals non-vested, and with 55% graded first-year commission rates.

Under the second contract, all renewals become fully vested on completion of 15 years' continuous service, or attaining age 60. They also become fully vested in the event the contract is terminated because of death, disability or retirement.

Both contracts will also carry persistency fees beyond the renewal period and retirement plan as heretofore.

Mr. Fitzgerald in his report to trustees noted that investment results continued to progress. "In the six-month period, our bond department made long-term investments of over \$103 million at a net return of 3.96%. Our most substantial increases by classes were in U. S. industrials and in Canadian industrials and public utilities," he said.

"The mortgage loan department made

### L.I.A.M.A. REPORT

## Matching Purdue Men with Control Group Proves Course Can Save Marginal Agents

It has long seemed apparent that the Purdue life insurance marketing course was doing a lot for the agents that took it. But it was difficult to say for sure that it was the Purdue course that was pushing their production up. Maybe they would have done about as well without the course or with some cheaper course, for they were a selected group and probably wouldn't have been picked for schooling if they hadn't shown signs of being pretty well above average.

But this week L.I.A.M.A. has released its careful and scientific comparison of what Purdue students did and what a comparable group of agents did. The results show:

1. That 241 graduates of the Purdue course were superior in terms of survival and production, outproducing the control group by 53%.
2. That the maximum benefit of the Purdue course appears to occur for men with less than three quarters' experience in the field and especially for men whose production before entrance has been at the marginal level.
3. That recruits are failing today who could succeed if their training were adequate.

### What Is Good Training?

The L.I.A.M.A. report on the Purdue study mentions that everybody agrees on the importance of good training. The only question is, What is it and how do you do it? The question is hard to answer because there is ordinarily no control group to compare with those who take the various training courses.

Fortunately, selection of a matching group was made possible by L.I.A.M.A.'s recruiting analysis survey. This provided a large pool of recruits about which L.I.A.M.A. had a great deal of identifying data. Where exact matching was not possible the non-Purdue man was given the edge. That is, if the Purdue man had a B on the Aptitude Index he could be matched with an A or B man but not a C man.

### Factors for Matching

Factors on which matching were based included survival for at least one year, production level prior to entrance in Purdue, marital status, age at time of contract, and Aptitude Index rating. Each of these factors has been shown by L.I.A.M.A. studies to be related to agent performance. Also, where possible the recruiting analysis survey (RAS) men were selected from the financed group, which has been shown to have higher production.

In the total Purdue group, 32% of the men terminated their contracts with the company they were working for at time of entry before the end of the period being studied. The figure for the RAS men was 50%. Such Purdue men as did terminate showed a greater tendency to do so in the quarter immediately following graduation, 41% of the Purdue terminations occurring in that quarter. But only 27% of the RAS terminations occurred that early in the exposure period.

"It is possible that completion of the Purdue course may have kept some men in the business beyond the time when they had already found that the business was not for them," the report comments.

"The differences between the subsequent production of the survivors and of the total group are highly significant statistically," the report states. "Their practical significance is also clear if we consider that, on the average, the

Purdue graduates who survive may be expected to produce \$39,600 more business annually than their counterparts. The 230 Purdue graduates sold 53% more business after the Purdue period than the RAS men (\$59,666,000 compared to \$38,960,000). Even when the business sold during the Purdue period is included, the Purdue group accounts for 30% more production."

However, neither survival nor production alone gives the complete picture, according to the report, since "in a sense, we wish to know how effective the Purdue course was in producing career agents—survivors whose production is acceptable to their companies and themselves."

### Successes vs. Failures

In an attempt to answer this question, the men were divided into "success" and "failure" groups, success being defined as survival throughout the period examined, with an average monthly production of \$15,000 or more, or appointment to a supervisory or home office position.

In the Purdue group, 41% met this criterion. Only 22% of the RAS group did so. Similarly, when only the survivor group was considered, L.I.A.M.A. found that while 44% of the RAS survivors averaged more than \$15,000 per month, 55% of the Purdue survivors maintained that level. Only 4% of the Purdue survivors had production averages below \$5,000 a month but 15% of the RAS survivors fell in this category.

### Improvement Percentages

Measuring these results in terms of improvement of average production, L.I.A.M.A. compared the production of survivors in the interval before the Purdue period and following it. It found that 31% of the Purdue graduates increased their average by \$10,000 or more per month but only 14% of the RAS men showed this much improvement.

Considering the total group of men who had at least one quarter of production before the Purdue period, L.I.A.M.A. found that 49% of the RAS men terminated or had a decrease in production of more than \$10,000 per month. Only 27% of the Purdue men met with this fate.

L.I.A.M.A. concludes that the greatest contribution of the Purdue course lies in salvaging men who have been relatively poor producers in their first or second quarters and who would otherwise fail.

### Helped Inexperienced, Too

"The job done in improving the future of the better producers with one or two quarters of field experience should not be discounted," the report states. "But it does appear that the course offers little to men who have been in the field for six months or more, regardless of their performance during this time. Of course, it should be reiterated that the effectiveness of the course for men with no prior experience or production was significant."

"The fact that the Purdue course has its most beneficial effect upon relatively inexperienced and apparently floundering men is good news. It brings an encouraging note into an industry in which initial low production has so doomed a man to failure as to demand rigid post-selection in the interests of company and agent alike. For the first time, we can see some promise of break-

## Debit Agents Again Writing Property Coverage on Side

### Fire and Casualty Agent Groups Take Cognizance of Situation

By RICHARD J. THAIN

Debit agents of the life companies are writing fire and casualty insurance on the side to an extent great enough to arouse the ire of fire and casualty agents in several parts of the country. This is no new practice, but it had somewhat died down since the recent war as the earnings of the salesmen of industrial life insurance increased. Now the advance of inflation has made even these earnings seem inadequate to some of the collecting agents and they are turning their positions as insurance counselors to use by writing the household fire, automobile and other coverages.

The industrial debit men are those who make door-to-door calls collecting weekly and monthly premiums on small amounts of life insurance. The life companies regard these men as full-time employees and prohibit their selling life insurance or anything else on the side, but this has not proved a conclusive stopper for this kind of activity.

### Debit Agent Really Sees 'Em

In some of the states, the debit life men take out brokers' licenses. In other cases, they establish a working agreement with a fire and casualty agent to service the accounts they get and are actually selling fire and casualty insurance without a license to do so.

The setup is a "natural" in many instances. The debit man sees an amazing number of people, both new clients and prospects, during a week. He has to. That is his business. He does not have the philosophy that customers will come to him. Naturally, his active day, devoted almost entirely to meeting the public, establishes a personal contact and puts him in very solidly with many of his clients. The man who comes around to the door every week is the family insurance man.

### Business Falls in His Lap

Now when you couple this peculiarly favorable position with the fact that to most members of the public an insurance man is an insurance man, regardless of whether he is a life or a fire man, you can understand why fire and casualty business can literally fall into the lap of the debit agent, except that he seldom sits down long enough to have a lap. Many a householder or housewife doesn't want to bother with dealing with more than one insurance agent. So while the debit man is at the house, the customer asks if he couldn't handle the automobile insurance and the fire insurance on the house. In some cases, the debit men had no thought of going into the fire and casualty business, but so many of clients brought these matters up that they were almost forced into it. In no case does the debit life insurance man have to do too much more than mention the fact that he has fire and casu-

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## Split Decision in Bankers, Nebraska, Retirement Case

Policyholders of Bankers Life of Nebraska who challenged the legality of the retirement plan set up in 1945 for salaried employees of the company won a partial victory in the Nebraska supreme court. The court ruled that so far as officers of the company are concerned the law is "unauthorized and invalid." But the court held the validity of the plan as it affects other employees. The Lancaster county district court had upheld the plan in its entirety.

Policyholders who instituted the court action were Charles E. Ledwith, Lincoln attorney; James F. Begley, Plattsmouth, Neb., attorney, and Robert E. Pillars, Clinton, Ia., transportation man. They said that about 100,000 policyholders had the same interest in the suit. Of the \$594,000 placed in the retirement fund, \$446,000 was to the credit of 12 officers, according to the evidence in the case. The remainder was credited to 208 employees.

The effect of the decision, Mr. Ledwith said, is that under present state law, officers of domestic insurers in Nebraska cannot be made beneficiaries of a retirement plan set up by the company in which they hold office.

Six or eight other Nebraska companies may be affected by the decision, Insurance Director Laughlin said. If the decision stands unchanged, Mr. Laughlin says he probably will call it to the attention of other Nebraska companies which extend retirement coverage to their officers.

During trial of the suit it was testified that one such company is Mutual Benefit H. & A.

## N. J. Disability Fund Has \$86,372,832 as of July 1

The six months statement on New Jersey disability insurance activities, issued by the division of employment security of the state, shows that as of July 1 there were 16,491 insured plans in effect, covering 787,913 workers. Self-insured plans numbered 137 covering 127,469; union agreement plans 1,145 covering 70,423.

In the first six months the state plan received 18,156 first claims and allowed 13,527; there were 4,113 first claims by unemployed, of which 3,074 were allowed. Disability benefits paid in the first six months under the state plan totaled \$2,359,125, and on unemployed claims \$667,494.

The report points out that the state fund has withdrawn from the U. S. Treasury \$50 million. This was credit from the period before the disability fund was established. Added to this are contributions on wages prior to 1949 up to date of \$49,532,270. Assessments on private plans total \$1,014,670 and interest and other income from investments \$6,430,502 for a grand total in the fund of \$106,997,603. Administrative expenses were \$4,079,790, and benefits paid \$16,524,979, leaving a balance available for investment and benefits of \$86,372,832.

## Dinner to Honor Martin

A testimonial dinner honoring Commissioner Wade O. Martin, Jr., of Louisiana on his election as president of National Assn. of Insurance Commissioners will be given at New Orleans July 29 by the fire and casualty insurance interests. Governor Kennon of Louisiana and Mayor Morrison of New Orleans will be guests and Commissioner Murphy of South Carolina, vice-president of N.A.I.C., will be one of the speakers.

The Grimm general agency for New England Mutual Life, Milwaukee, scored production records in new business for June, and for the first half.

## RECRUITING IN TIGHT MARKET

## L.I.A.M.A. Panel Gives Practical Replies to Realistic Questions

A realistic pattern of questioning directed to a panel on recruiting dominated a day-long session of the recent management seminar, sponsored by L.I.A.M.A. at Chicago. Practical replies reflected the serious mood of management over the tightening selection market.

Brice F. McEuen, senior consultant of L.I.A.M.A. and panel moderator, directed his questions as a prospective agent to John A. Barker, Mutual Life, Hartford; Peter M. Hughes, Imperial Life of Canada, Ottawa; Clarence E. Pejeau, Massachusetts Mutual, Cleveland; Francis C. Sullivan, American Hospital & Life, San Antonio, and Saul S. Vort, Prudential, New York City.

To Mr. McEuen's first question, "How can I start over in a new business with a family to support?" Mr. Hughes replied that a newcomer has a future more enhanced, not jeopardized, through the thorough sales training offered in the life business. He described an agent's activities as a graduate course in salesmanship, and pointed out that most men, after leaving the business, had increased their incomes 40%. Turning to Mr. Sullivan, whose agency is situated in the heart of several government owned and government inspired activities, Mr. McEuen asked, "What kind of security do you offer me?" Mr. Sullivan answered that life insurance could offer the prospective agent a job opportunity with ceilings unlimited. He said there is no seniority, and no waiting lists for promotions in the business. It was emphasized that the agent's income, although deferred, would continue in event of recession. Mr. Sullivan said

his men receive income disability up to 75% of their earnings for the first year of injury, and a slightly smaller percentage through the next five years.

Mr. Vort declared that an agent would get his first prospects from a list of 100 persons he knows well. As he moves along, he can select 20 names weekly from various directories, journals, and rosters for use with the agency mailer that draws 11% in replies. Later, the newcomer will get the names of "orphan" policyholders, who will be happy to have his service, and who will provide him with upwards of 10 leads each month. As a special agent, the new man will receive office leads monthly on a rotating plan.

Mr. Barker brought out a more positive aspect to the question, "How can I give up my salary for a new business in which I am inexperienced?" He said that was the basis on which he was interested in a prospective agent. He showed the newcomer that he would receive a 20-25% increase after the first year, and perhaps more following his second year in the business.

### "How Much Night Work?"

To the question, "How much night work must I do?" Mr. Pejeau compared the producer-beginner with a young doctor who must expose himself to all types of calls that, however inconvenient, will extend his service, and build a future clientele. It was emphasized that as his volume grows an agent can become more selective and, finally, if he becomes highly specialized, prospects will visit him by appointment.

The questioning returned to Mr. (CONTINUED ON PAGE 17)

## Seek Funds to Appeal Relief Act Decision

WATERLOO, IA.—Counsel for the three veterans whom the federal court at Dubuque held liable to the veterans administration for premiums paid on their behalf under the soldiers and sailors civil relief act believe there is an excellent chance of getting the decision reversed if money can be raised to take the case to the circuit court of appeals, according to Don Repass, Minnesota Mutual Life, president of Waterloo Life Underwriters Assn.

The association has been helping a local committee in financing the test case, the result of which was reported in THE NATIONAL UNDERWRITER for July 4.

### Dispersion Is Problem

"These cases were so widespread nationally that it has been a terrifically hard job to get contact with enough individuals involved to get the necessary support," Mr. Repass told THE NATIONAL UNDERWRITER. "What insurance companies we have contacted have not wanted to take any particular initiative, still at the time the business was placed there was no question in their minds but what the boys would not be liable for premiums in excess of cash values."

"It occurred to me that you might feel it worth while to run some type of article making it possible for any man in the insurance business that would be interested in seeing this test case taken to a higher court to make a contribution."

"The local committee has appointed George Allbee, president of the Peoples Saving Bank of Waterloo, as a trustee to handle any funds and none will be used unless enough money is raised to take this case on to a higher court. I personally feel that the insurance business has let these boys down by not doing something constructive to carry a test case clear to the Supreme Court if necessary."

## Old Republic Introduces Life, A. & H. Credit Plans

Old Republic Credit Life has introduced for what is said to be the first time on a large scale an optional deferred credit life and A. & H. plan to cover department store credit account customers.

The plan has been adopted by Hess Bros. department store of Allentown, Pa., for its 50,000 credit customers. Cost for the customer is \$1 for each \$100 on a yearly plan. A. & H. protection will run to \$2.20 on the same basis.

Assisting Mr. Jarrell are Vice-presidents Arthur Cade, W. R. Stover, D. M. Gardner, Jr., J. R. Freeman, and G. A. Kropp at Birmingham. Carmen McNeill is secretary-treasurer.

## L.I.A.M.A. School Officers

The following officers were elected for the L.I.A.M.A. agency management school recently concluded at Chicago: Henry K. Jackson, Prudential, Montreal, president; Frank I. McCormick, Equitable of Iowa, Des Moines, vice-president; William E. Hays, New England Mutual, Boston, secretary; Sherry R. Fisher, Connecticut Mutual, Des Moines, treasurer.

## Life of Ga. Transfers Hewett

Charles C. Hewett, Life of Georgia manager at Roanoke, Va., has been promoted to manager of the company's eastern Tennessee division, with headquarters at Knoxville. Mr. Hewett started with the company at Tuscaloosa, Ala., in 1933 and later became district manager there. He came to Roanoke in 1948.

## The COMMONWEALTH Commentary

## Picking Up Speed

This is the year in which Commonwealth plans to go over the \$600 million mark of insurance in force. Every man in the field is working toward this goal and the interim reports reflect the results of this effort.

For the first six months of 1952 total paid business is 35.3% greater and the gain in insurance in force is 41.9% greater than corresponding figures for last year. These figures assure the attainment of the \$600 million goal before the end of 1952.

Commonwealth's strides are growing longer, and the pace is quickening.

INSURANCE IN FORCE, July 1, 1952 — \$572,632,005

**COMMONWEALTH**  
*Life Insurance Company*

HOME OFFICE • LOUISVILLE, KY.



## Collier's

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## Collier's Lauds Life Companies for Big Role in Economy

NEW YORK—An informative and friendly article on life insurance investments is featured in Aug. 2 issue of Collier's magazine which is on the newsstands this week. There is also an editorial praising the role of life company investments.

The article deals with the vast size of the life companies' aggregate assets but makes the point that this bigness is vital to the American economy.

"The investments run the whole gamut of our American economy," says the author, Ben Merson. "And in a large measure, they make our economy run. Without them some of our nation's big business might bog down or never get started at all."

### Emphasizes Variety

Emphasizing the variety of life insurance investments, Mr. Merson cites insurance funds that have gone into tunnels, bridges, skyscrapers, department stores, hotels, housing, diapers, dynamos, kiddy cars, distilleries, bottles, headache pills, telephones, peanuts and pipe lines.

He gives a detailed description of the life insurance financing of the New Jersey turnpike, then tells of specific loans to industrial, railroad, utility, and other enterprises, plus some small-business examples. He tells of the job done through life insurance money to rehabilitate a small town in Ohio—Greenhills—which had been owned by the government and had gone to seed.

Photographs in color of some of the life insurance-financed projects in various parts of the country accompany the article, for which the pictures were especially made.

The life insurance story follows a series of articles which Collier's has been publishing, written by David E. Lilienthal, former chairman of the atomic energy commission, on big business for a big country, stressing the desirability and need of encouraging industrial expansion for the sake of our national safety and economic health.

Says the editorial, in its conclusion: "Speaking of bigness, America's life insurance companies are a tremendously big business themselves. Yet they are curbed by their own prudent code of ethics and by state regulations which control enormous financial power without inhibiting their normal and beneficial growth. And they present a pattern and example which, we believe, the makers and enforcers of federal law might study with profit in reconciling some old, unreasoning fears of bigness with the economic facts of present-day life."

## Section 213 Revisers Name Subcommittees at N. Y. Meet

The policy committee to undertake the revision of section 213, the New York expense limitation law, held its second meeting at New York last Friday at the offices of the Life Insurance Assn. of America.

Broad questions of policy were considered but no attempt was made to reach decisions on fundamental questions. It was agreed that preliminary studies of some of these questions should be made and, for this purpose, subcommittees were appointed to look into these questions and report back to the policy committee at an early date.

George L. Harrison, chairman of the committee, presided.

## N. Y. Ruling Sets Standard

The ruling of Raymond Harris, deputy superintendent and counsel of the New York department, that it is contrary to the insurance law for a group writing company to reimburse applicant, policyholder or third party for

expenses incurred in connection with solicitation, issue, or administration of group insurance, is regarded as an effort by the department to let all interested in group insurance know that this is what the department regards as the wholesome standard in the group field. It does not bear directly, apparently, on the issues involved in the proposed changes in regulation 27, in which credit life is involved.

Every group policyholder—employer, union, etc., has expenses, and since the business is a cooperative one, those involved should not be paid for what the

principles involved in the coverage call for each to do in any event.

## Leaders on Fishing Trip

Eighteen Northwestern National field men have just returned from four days of fishing at Basswood Lake as guests of President George W. Wells. The men, all leaders in the company's Basswood Month contest last October, comprised the 19th annual President's Fishing Party held in the wilderness area on the Minnesota-Ontario border.

## Campbell Mass. Mutual General Agent at Dallas

Raymond Campbell, Jr., has been appointed general agent of the new agency established by Massachusetts Mutual at Dallas. Mr. Campbell has been in the business since his graduation from Southern Methodist University in 1938, with the exception of a four year period of navy duty during the last war. He previously represented Connecticut Mutual and Southwestern Life. He received his C.L.U. designation in 1947.

Terrible strain on the tea leaves



Finding the future in the bottom of a tea cup is one way of planning. But a couple of misplaced tea leaves or a "gypsy" who needs bifocals can throw the best predictions awry.

There are many things a Union Central agent knows about the future that are much more valid. The first and most important is that the future isn't predictable. The second is that there are ways of preparing for this unpredictable future on the basis of general human experience.

The best way is through life insurance. Union Central life insurance, for instance, offers a

policy or a combination of policies to meet every life insurance need from birth to age 70.

And the advice of the Union Central agent is most important. He is well-trained before he makes his first call. More than that, he is kept fully informed. Union Central is thoroughly conscious of the many changes in the patterns of living and economic demands. The agent is kept up-to-date on each development and the ways in which Union Central life insurance can best take care of particular needs. An alert, cooperative Home Office sees to that.



THE UNION CENTRAL

LIFE INSURANCE COMPANY

CINCINNATI, OHIO

## Mortality Changes Incorporated in New Annuity Tables

New annuity tables assuming reduced mortality and increased longevity in the future have just been published in book form by Society of Actuaries. With the aid of these tables it will be possible to calculate the values of annuities, pensions, and settlement options.

The new volume contains the essential data needed for the calculation of various annuities on four mortality tables, more up to date than the 1937 Standard Annuity Table, and four rates of interest varying from 2% to 3%.

One of the four new annuity tables, called the "Annuity Table for 1949" (or A-1949 Table), reflects largely current mortality under immediate non-refund annuities. The other three tables, the "A-1949 Table projected 10 years," the "A-1949 Table projected 30 years," and the "Progressive Annuity Table," are of interest because they produce annuity values based on mortality rates lower than recently experienced, the assumption being that mortality will continue to decline in the future as it has in the past.

The book, which contains 114 pages of tables and an explanation of how these can be used, may be purchased from Society of Actuaries, 208 South LaSalle street, Chicago. It is priced at \$10.

The Indianapolis West district office of Western & Southern Life has moved from 1142 North Meridian street to 3151 North Illinois street. M. H. Walker is manager.

Prudential has awarded the initial contract for construction work on its projected 41-story Mid-America home office building in Chicago to the George A. Fuller Co. The work consists of construction of the foundation and the sinking of caissons will be broken early in August and that the foundation phase of the work can be completed within a year.

## MUTUAL BENEFIT PLAIN TALK

### Divvy Up Pensions With the Pros; Push Business Cover

It is better for the average agent to share the work on his pension cases with his general agent, another qualified agent or an outside pension firm, it was agreed at a panel on pension trusts during the agents' meeting of Mutual Benefit Life at Hot Springs, Va.

This was the consensus of a panel of experts consisting of Paul W. Cook, Chicago general agent and Henry A. Humphrey, Wichita. Charles R. Gibbs of Los Angeles took the part of the inquiring agent in the playlet that was put on.

Mr. Gibbs was armed with some facts about Turner's Toys for Tots, Inc., of Yourtown, U. S. A., the hypothetical firm in the hypothetical town around which most of the Mutual Benefit sessions revolve. Mr. Gibbs was appalled at the amount of paper work and facts involved in advance preparation as revealed in the first few minutes of his conference with the experts. He finally willingly turned the case over to "Experts, Inc." and got back to personal selling.

These particular experts believe that the best way to go out of the life insurance business is to go after pension business. If you don't get your case or cases, you're out. If you do get them without qualified help, you're out because of the mountain of work required.

Mr. Gibbs looked over the shoulder of the two old hands as they worked out the Turner pension case for the audience of Mutual Benefit agents. In addition to all the advance computations, work-sheets and charts, the experts outlined the specific appeals to be used in presenting the case, advantages to the corporation, tax savings, recommendations for the trust agreement and employee's agreement to participate, drafts of letters to employees and a brochure and with the corporation's attorney in completing the other necessary papers.

Another kind of expert advice was provided by Charles J. King of Kansas City, who advised his hearers to make a habit of the things they don't like to do, because when an act becomes habitual, it increases the amount of time for thinking and planning. One habit, which enables him to habitually produce a million a year, is to plan the next day's work the night before—usually at his office.

William T. Earls, general agent at Cincinnati, said that the easiest route to attaining the Million Dollar Round Table is through business insurance. For million dollar production, an agent needs the potential and he needs luck. He gets the luck by exposing himself to situations that will bring it to him and the best realm in which to accomplish this is business insurance.

Some 30% of the Cincinnati agency's \$12 million paid for in 1951 was due to business insurance. More big sales are being paid for by corporation dollars than by individual dollars, he reminded his hearers.

Mr. Earls debunked the idea that an agent must know all there is about law, taxation, business financial statements and the policy provisions of contracts of all companies if he is to sell business insurance. He cautioned agents not to devote their entire time to selling business insurance.

Mr. Earle has an earthy way of defining things. For example, he said: "Keyman life insurance is just fire insurance on a man's life; when a guy burns up, money comes in from the outside (life insurance) to replace his loss. Selling psychology is to recognize that stockholders and partners are valuable to each other. While each partner may know this in his heart, he naturally believes his job is the more important whether the manufacturing or the sales end. So, play up the man's distaste for

(CONTINUED ON PAGE 19)

## Questions Data on Tax Angle of A. & H. Premiums

Orville F. Grahame, vice-president and general counsel of Massachusetts Protective and Paul Revere Life, makes the following comments on a recent article dealing with the income tax liability of various phases of A. & H. insurance:

"The statement was made regarding taxes that a policyholder may not deduct as medical expense the premiums on A. & H. insurance which indemnifies him solely for loss of earnings. While I realize some collectors of internal revenue are taking this position, it may not be true.

"Section 23 (x) of the internal revenue code specifically says that the term 'medical care', which includes amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body, includes 'amounts paid for accident or health insurance'. This would not seem to be limited to premiums for reimbursement insurance and would seem to cover loss of earnings insurance.

### Ruling of Tax Court

"However, it is true that the tax court has held if you have a medical bill you are not 'compensated for by insurance' if you only have a loss of earnings policy which might keep you from taking the deduction. This was decided in the Robert O. Deming, Jr., case, 9 TC 383 (1947). Therefore, I submit there is logic to the position that time loss or loss of earnings premiums cannot be deducted in view of the fact that such benefits are not, according to the Deming case, deemed compensation for medical expense and thus do not offset such expenses. There is some ambiguity in the statute if the Deming case is sound.

### Allows Deduction

"Section 23 (x) as it stands appears to allow deduction without exception of all accident and health premiums and therefore the said statement of the July 4 number is questioned. This was taken from a bulletin in the current monthly supplement of the Accident & Health Bulletins, which you publish. Under the circumstances, I wonder if the answer to your question 5 should be reconsidered. This also comes up again in question 8 and question 10. We also wonder if question 11 is right which says that an employer may take group hospital, surgical and medical expense premiums as a deduction but that such premiums are taxable to the employees who may deduct them as medical expense.

### Quotes Prentice-Hall


"Prentice - Hall, paragraph 12,639, states:

"Premiums paid by a corporation on group hospitalization and medical insurance for employees and their families, purchased by the corporation in consideration of services rendered by the employees, are deductible by the corporation as a business expense, and are not taxable income to the employees. Bureau letter, 10-26-43, published in full at Para. 66,326 P-H Fed. 1943.

"The regulations permit an individual who pays premiums for hospitalization insurance, etc., to deduct them, subject to certain limitations, Para. 11,473."

"The second paragraph of the above ruling may be what question 11 refers to. In other words, that part of the premiums which the employee pays is income to him and may be taken as a deduction. See also Prentice-Hall, paragraph 7715-C reading:

"Premiums paid by employer on group health insurance policies do not constitute additional taxable income to employees. Bureau letter, dated Aug. 26, 1943, and published in full at paragraph 66,294 P-H Fed. 1943."



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Frank L. Barnes, 1st V.P. and Director of Agencies

## Presid Dough "Medi

WASHINGTON has signed a bill and F. Ewing announced checks for about Oct. 1 reflect the new law.

The President finds "one failure to permanently and says that with one hand with the other."

"The provision extraordinary" (under) applications filed until July 15 to the state insurance would permit ability has been tirement to put so the disability v them."

Reviewing in connection assaults the American lobby."

In conclusion to omission provision to erament system wish OASI. Asserting sire on the obtain the program," hope Congress needed prov also hoped

"consider the extending a curity act as Ewing said "can be made without dis basis" of O

## Johnson General

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## Adopts I

American new forms disability b suits of ser wartime m has also be in outstand contained a service excl The avia double inde as a passen excluding This liberal applicable



## President Signs Doughton Bill; Raps "Medical Lobby"

WASHINGTON—President Truman has signed the Doughton social security bill and Federal Security Administrator Ewing announced that regular monthly checks for September, to be mailed about Oct. 3 to OASI beneficiaries, will reflect the higher payments authorized in the new law.

The President's statement, however, finds "one drawback" in congressional failure to preserve OASI rights of permanently and totally disabled persons and says that "Congress takes away with one hand what it appears to give with the other."

"The provision thus nullified by this extraordinary effective date arrangement" (under which the OASI disability freeze expires June 30, 1953, but applications for its benefits may not be filed until July 1, next year) "is analogous to the waiver of premiums in private insurance policies. This provision would permit aged persons whose disability has forced them into early retirement to have their benefits recomputed so that lost time due to their disability would not count against them."

Reviewing developments in Congress in connection with the bills he bitterly assails the House Republicans and the American Medical Assn. "medical lobby."

In conclusion, the President referred to omission from the act of a House provision to enable state and local government employees covered by retirement systems to vote on whether they wish OASI coverage.

Asserting "there is a widespread desire on the part of such employees to obtain the protection of the insurance program," the President expressed the hope Congress "will enact this much needed provision next year . . ." He also hoped that Congress will then "consider the entire question of further extending and liberalizing the social security act as a whole."

Ewing said increased OASI payments "can be made without raising taxes or without disturbing the self-supporting basis" of OASI.

## Johnson New Union Central General Agent at Toledo

Union Central Life has named Newton H. Johnson general agent at Toledo.



N. H. Johnson

He was formerly in the general insurance business there. Mr. Johnson entered the business at Ironton, O., in 1922. In 1932 he joined Pacific Mutual Life as supervisor at Louisville. Later he went with Aetna Life at Toledo.

He is a graduate of University of Michigan, and a member Million Dollar Round Table since 1940.

## Adopts New Forms

American United Life has adopted new forms of double indemnity and disability benefits which contain a "results of service" type of exclusion for wartime military service. This clause has also been made applicable to riders in outstanding policies, many of which contained a "status" type of military service exclusion.

The aviation provision in the new double indemnity rider covers all flying as a passenger in any kind of aircraft, excluding only non-passenger flying. This liberalization has also been made applicable to outstanding double in-

demnity riders, which had excluded either all deaths resulting from aviation or (if issued in recent years) all except scheduled-airline passenger deaths.

## Nelson & Warren Retained

WASHINGTON—Nelson & Warren, St. Louis actuarial firm, has been engaged as actuarial consultant by the joint congressional committee on railroad retirement.

The committee reportedly decided not to accept the offer of National Assn. of Life Underwriters of actuarial service.

## First Half, June Business Show Gain

Life insurance sales for the first half totaled \$14,668,000,000, an 8% increase over the first six months of last year, according to the latest figures of Institute of Life Insurance. Ordinary production rose 12% to \$9,803,000,000; industrial sales gained 4% to \$2,864,000,000, while group coverages dropped 7% to \$2,001,000,000.

June figures were up 15% over June of last year. Over-all sales for the month reached \$258,000,000. Ordinary business totaled \$1,690,000,000, a gain of 14%. Industrial business dipped slightly to \$464 million, and group jumped 46% to \$435 million.

## Eastern Moves Its Office

Eastern Underwriter is moving its offices from 41 Maiden Lane to 93-99 Nassau Street, corner of Fulton and Nassau, New York City.



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"When you place **SURPLUS BUSINESS INSURANCE** and **PENSION** or **PROFIT-SHARING PLANS** with the **Connecticut Mutual** you get these **PLUS** values:"

1. Corporations and partnerships may use income settlements
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## CONNECTICUT MUTUAL GENERAL AGENCIES

Albany 1, N. Y., James T. Purves, 75 State St.  
Albuquerque, N. M., Timothy B. Ingwersen, 121 East Tijeras Ave.  
Atlanta 3, Ga., P. L. Bealy Smith, Citizens & Southern Bank Bldg.  
Baltimore 1, Md., Thomas W. Harrison, Jr., 307 North Charles St.  
Birmingham 3, Ala., Stewart H. Welch, Jr., Brown-Marx Bldg.  
Boston 9, Mass., Winslow S. Cobb, Jr., 50 Congress St.  
Boston 9, Mass., Rob't B. Whittemore, 82 Devonshire St.  
Bridgeport 3, Conn., Harry E. Duffy, Bridgeport-City Trust Co. Bldg.  
Buffalo 2, N. Y., Jack O'Bannon, Liberty Bank Bldg.  
Charlotte 2, N. C., Philip F. Howerton, Johnston Bldg.  
Chicago 3, Ill., Robert E. Fiorino, 39 South LaSalle St.  
Chicago 2, Ill., Henry C. Hunken, 1 North LaSalle St.  
Chicago 3, James F. Ramsey, Field Bldg.  
Cincinnati 2, O., James H. Farrar, Carew Tower  
Cleveland 14, O., Harry H. Kail, Leader Bldg.  
Columbus 15, O., Victor K. Miller, Beggs Bldg.  
Dallas 1, Tex., Everett F. White, 107 North Field St.  
Davenport, Ia., Paul C. Otto, Davenport Bank Bldg.  
Decatur, Ill., W. Robert Moore, Citizens Bank Bldg.  
Denver 2, Colo., Norris E. Williamson, U. S. National Bank Bldg.  
Des Moines 9, Ia., Sherry R. Fisher, Fleming Bldg.  
Detroit 26, Mich., Charles E. Stumb, Nat'l Bank Bldg.  
Erie, Pa., James J. Reid, Palace Bldg.  
Fort Worth 2, Tex., Thomas N. Moody, W. T. Waggoner Bldg.  
Grand Rapids 2, Mich., Herbert C. Remien, Association of Commerce Bldg.  
Harrisburg, Pa., Joseph J. H. Richter, Jr., Payne-Shoemaker Bldg.  
Hartford 3, Conn., Ralph H. Love, 75 Pearl St.  
Houston 2, Tex., The Shepherd Agency, Esperson Bldg.  
Huntington 9, West Va., R. Homa Houchin, First Huntington Nat'l Bk. Bldg.  
Indianapolis 4, Ind., Claude C. Jones, Circle Tower  
Jacksonville 2, Fla., Victor W. Wilson, Lynch Bldg.  
Kansas City 6, Mo., Edward B. Bates, 1016 Baltimore Ave.  
Knoxville 02, Tenn., Harry M. Watson, Hamilton National Bank Bldg.  
Long Beach 12, Calif., C. Carter Schneider, F. & M. Bank Bldg.  
Los Angeles 5, Calif., Melzar C. Jones, 3440 Wilshire Blvd.  
Los Angeles 17, Calif., William H. Siegmund, 609 South Grand Ave.  
Louisville 2, Ky., Moss & Moss, Starks Bldg.  
Memphis 3, Tenn., A. V. Prichard, Sterick Bldg.  
Miami 32, Fla., Frank R. Anderson, Shoreland Bldg.  
Milwaukee 2, Wis., Kenneth W. Jacobs, Bankers Bldg.  
Minneapolis 2, Minn., Frank J. Lynch, Northwestern Bank Bldg.  
Nashville 3, Tenn., Norris Maffett, 814 Church St.  
Newark 2, N. J., Edward C. Jahn, The Commerce Court Bldg.  
New Orleans 12, La., Thomas F. Barrett, Jr., Pere Marquette Bldg.  
New York 6, N. Y., The Fraser Agency, J. M. Fraser, G. A., 149 Broadway  
New York 17, N. Y., Halsey D. Josephson, 527 5th Ave.  
New York 17, N. Y., Paul L. Guibord, 6 E. 45 St.  
New York 17, N. Y., Horace S. Jenkins, Jr., 17 E. 42 St.  
Norfolk 10, Va., D. Conrad Little, Royster Bldg.  
Oakland 12, Calif., James L. Taylor, 1404 Franklin St.  
Oklahoma City 2, Okla., Robert H. Carter, Petroleum Bldg.  
Omaha 2, Neb., Paul C. Kaul, 405 S. 16th St.  
Peoria 2, Ill., Chester T. Wardwell, Cent. Nat'l Bank Bldg.  
Philadelphia 3, Pa., Stokes B. Carrigan, Architects Bldg.  
Philadelphia 3, Pa., Vernon S. Mollenauer, 1616 Walnut St.  
Pittsburgh 19, Pa., Robert N. Waddell, Koppers Bldg.  
Portland 3, Me., Richard M. Boyd, 415 Congress St.  
Portland 4, Ore., The Merrifield Agency, Equitable Bldg.  
Providence 3, R. I., Walter K. R. Holm, Jr., Industrial Trust Bldg.  
Raleigh, N. C., William T. Beatty, Security Bank Bldg.  
Richmond 5, Va., J. Robert Nolley, Insurance Bldg.  
Rochester 4, N. Y., Robert M. Williamson, Lincoln-Alliance Bank Bldg.  
Rockford, Ill., Francis P. Beiriger, Rockford News Tower  
Rutland, Vt., William C. Shouldice, Mead Bldg.  
St. Louis 5, Mo., Jack Hensley, 1A So. Meramec Ave.  
St. Louis 1, Mo., Stratford Lee Morton, Arcade Bldg.  
St. Paul 1, Minn., Joseph A. Diefenbach, Pioneer Bldg.  
Salt Lake City 1, Utah, Max S. Caldwell, Judge Bldg.  
San Antonio 5, Tex., G. Archie Helland, Frost National Bank Bldg.  
San Diego 1, Calif., Alpheus J. Gillette, 1407 Sixth Ave.  
San Francisco 4, Calif., Edward H. Dieckhoff, 315 Montgomery St.  
Seattle 1, Wash., Edward U. Banker, 1411 Fourth Ave. Bldg.  
South Bend, Ind., Paul A. Hummel, 527 Sherland Bldg.  
Spokane 4, Wash., Thomas R. Carey, Med. Cent. Bldg.  
Springfield 3, Mass., Harold W. Chader, 95 State St.  
Syracuse 2, N. Y., Limon E. Stiles, Heffernan Bldg.  
Toledo 4, Ohio, Floyd A. Rosenfelt, Martin Bldg.  
Utica 2, N. Y., Frank H. Wenner, Utica Gas & Electric Bldg.  
Washington 5, D. C., John Lister McElfresh, Woodward Bldg.  
Wichita 2, Kan., O. Lynn Smith, Wheeler-Kelley-Haggy Bldg.  
Wilkes-Barre, Pa., Frank Carlucci, 44 West Market St.

## Color "Stills" Prove Value in Education, Sales Work

NEW YORK — "Strip films," to be projected on a screen as a succession of still pictures, are finding increasing use in the insurance business and hold promise of much wider application.

For one thing, there is a growing realization that more education and training is necessary to equip soliciting agents with the kind of sales potency they will need when the comparatively easy selling conditions of today give way to a buyer's market. Strip films, used by themselves or, more generally, with spoken explanatory comment, have been found to be an excellent way of getting salesmen to use the fine educational and training courses that have been prepared for them.

The comment has been made by insurance training experts that the big shortcoming of training material is that there is little or no follow-through to see that the material is used. Agents rarely use material that is given to them, no matter how excellent it is, without someone's following up to make sure it is used.

However, this logical role for film strips is not the only reason they are proving popular. Much credit must be given to the important improvement made in the films, screens, projectors, and, of course, the production know-how in getting up films that do the effective job that is needed.

### Color Is Big Advance

The more general use of color is perhaps the outstanding technical improvement. Fifteen years ago, for example, color was practically non-existent in the strip-film field and what there was was prohibitive in price and often poor in quality. Today color costs are only twice or three times as much as black-and-white and the black-and-white costs have been considerably reduced also.

The public interest in color slide films and color motion pictures is indicative of the multiplied effectiveness of color projections, whatever the application. Libraries that rent or loan films have found that people will take out anything that is in color and only after that

start making their choices from what is available in black-and-white.

According to Training Films, Inc., of New York City, which acts as audio-visual consultants to the Institute of Life Insurance, Farm Bureau insurance companies and many other nationally known corporations and business and philanthropic associations, have found that one great point of value in the use of strip films as an adjunct to a lecture is that the film, in effect, sugar-coats the often uninspiring facts that the instructor is trying to get across.

Some teachers, of course, are so gifted that they can hold their students' attention without difficulty. But many of them put out their material in a pretty prosaic way, perhaps being even irritatingly didactic. The color film illustrating what the lecturer is talking about holds the audience's interest and makes a pleasurable experience out of what would almost certainly otherwise be a chore.

The film strip also has a good effect on the instructor's presentation. It puts him on his mettle, giving him the facilities to put his story across in a professional way and challenging him to take advantage of the possibilities of this new and stimulating medium.

### Helps Slower Learners

Not the least advantage of the film-strip method is that it permits salesmen who didn't quite get some of the points the first time around to have another go at it when the lecture is over. It is frequently found that the salesman who doesn't get quite everything the first time is actually a better, more dependable, more loyal representative of the company than the man with the more flashy type of mentality who absorbs everything quickly but who may be a better student than he is a salesman.

One improvement that has made strip films far more effective is that it is no longer necessary to darken the room in order to have the picture show up properly on the screen. More powerful light bulbs, better systems of condensers, lenses and better reflecting material for screens makes it unnecessary to darken the lecture room. This permits the lecturer to maintain his rapport with his students rather than just being a disembodied voice booming out of the darkness. He can see his audience and they can see him.

Improvements in the technique of direction and production have been notable, for strip films are a relatively new medium and while they have some characteristics in common with motion pictures, they are at their best when produced by experts who are familiar with the special capabilities and limitations of the medium.

A technical improvement that will be very welcome is scheduled for introduction in the late fall. This will permit a lecturer, by merely pressing a button

(CONTINUED ON PAGE 9)

## Wolverine Owners Buy Federal L. & C.

LANSING, MICH.—Industrial and banking figures who gained control of Wolverine, automobile and casualty carrier, moving it from Lansing to Battle Creek a year and a half ago, now have acquired controlling interest in Federal Life & Casualty of Detroit. Plans are to provide a "rounded" insurance service through the two carriers, it was explained, with emphasis on building up the life business of the Detroit company while at the same time increasing its already extensive A. & H. lines. Wolverine, originally an auto carrier, writes general casualty and fire.

Purchasers of some 6,000 of the 9,000 shares of stock in Federal L. & C. are Charles B. Bohn, Detroit industrialist; Howard J. Stoddard of Lansing, president Michigan National Bank, which operates in several Michigan cities; John H. Carton, Battle Creek, president of Wolverine, and George M. Endicott, who is associated with Mr. Bohn in his real estate and oil enterprises in the Detroit area.

The purchase was made from V. D. Cliff, chairman of Federal L. & C. and other members of the Cliff family who have owned the company since its founding in 1906. The elder Cliff is in precarious health and is expected to retire from active participation in the company's affairs. His retirement removes the oldest veteran in the A. & H. business, as he entered that field in 1901. He was one of the organizers in 1901 of the old Detroit Conference, now H. & A. Underwriters Conference, and was its first secretary. He served as its president in 1905-6.

Frank V. Cliff, president, is expected to continue in the organization but a number of directorate changes are anticipated at a board meeting scheduled for July 23. John Panchuk, general counsel, a former assistant attorney general who long was legal adviser to the Michigan department, is due for election to the board, the new owners said.

Federal L. & C. has about \$40 million of life insurance in force in more than 30 states but its principal business has been in the A. & H. field. Mr. Bohn was quoted in Detroit as planning a more aggressive policy for the company.

## San Diego A. & H. Men Elect

Newly elected officers of San Diego A. & H. Underwriters Assn. are: President, Merle E. VanEpps, Paul Ryvere Life and Massachusetts Protective; vice-president, John D'Alfonso, California-Western States Life; secretary, William C. Peck, Reliance Life; national and state committeeman, L. Glenn Sturgis, Metropolitan Life.

## Fifty-Eighth Year of Dependable Service

★ The State Life Insurance Company has paid \$178,000,000 to Policyowners and Beneficiaries since organization September 5, 1894 . . . The Company also holds over \$78,000,000 in Assets for their benefit . . . Policies in force number 102,000 and Insurance in force is over \$215,000,000 . . . The State Life offers splendid agency opportunities — with liberal contract, and up-to-date training and service facilities — for those qualified.

★ ★ ★  
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Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

## Results for First Six Months Given

	1952 New Bus.	1951 New Bus.	In Force 1952 Inc.	In Force 1951 Inc.
Bankers Life, Nebraska	26,132,777	23,772,081	16,160,532	14,621,088
Berkshire Life	24,394,738	20,339,530	13,694,959	11,099,681
Business Men's Assurance	63,179,465	54,779,104	36,998,900	30,725,862
California-Western States Life	63,053,566	55,746,952	45,300,151	40,701,155
Colonial Life	20,683,932	19,819,324	12,182,123	11,912,761
Columbian National Life	35,005,213	23,426,257	20,688,612	17,553,461
Confederation Life	65,732,514	63,932,155	49,999,619	49,858,581
Commonwealth Life	32,092,769	47,370,369	30,903,180	21,766,578
Country Life	32,437,834	31,245,951	22,880,811	22,408,853
Excelsior Life	19,243,672	19,387,166	11,754,849	13,059,791
Franklin Life	154,444,645	140,025,129	110,623,843	100,688,890
Great-West Life	139,625,775	132,260,202	100,455,369	96,344,746
Jefferson Standard Life	74,045,662	62,333,489	45,329,795	34,068,151
Life & Casualty	38,368,993	22,439,480	27,676,729	11,110,553
Manufacturers Life	30,117,424	28,700,770	23,676,793	20,321,517
Massachusetts Mutual Life	198,175,316	171,924,917	123,456,247	104,768,881
Minnesota Mutual Life	62,333,617	74,732,425	37,393,449	54,285,868
Monumental Life	44,687,427	39,177,914	22,080,000	18,914,386
Mutual Benefit Life	131,230,965	122,694,217	68,260,853	61,675,920
Mutual Life of Canada	70,151,271	68,893,913	55,447,927	57,541,551
New England Mutual Life	197,943,568	172,969,597	135,750,754	110,107,202
North American Reassurance	64,914,700	52,608,000	65,809,400	53,849,800
Ohio National Life	41,577,333	35,267,504	25,501,436	20,157,546
Pan-American Life	44,855,427	37,319,291	21,562,794	20,240,396
Shenandoah Life	13,340,043	10,633,233	3,861,823	3,440,920
Southwestern Life	56,656,832	47,239,158	41,222,191	27,660,268
State Farm Life	61,251,208	49,156,766	34,994,470	25,415,000
State Mutual Life	101,521,261	74,101,662	27,766,957	51,044,827
United Benefit Life	66,989,289	61,371,692	29,938,323	23,674,340

\*Excludes revivals and increases.  
†An estimated currency devaluation of \$50 million has been deducted.

## Wide Laws Cross

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## Wide Variety of Laws Cover Blue Cross Operations

A wide variation in the regulation of Blue Cross plans in the 40 states having legislation expressly governing these organizations was shown in the survey presented to N.A.I.C. by the Blue Cross-Blue Shield subcommittee meeting at Chicago.

There is no pattern to the laws so far adopted, and in the 10 states not having specific laws, there is, in all but three, some form of regulation under fraternal or mutual laws.

Of the states having legislation, four permit Blue Cross to commence business without any approval from the insurance department, and in a fifth it may do so without approval if it has contracts with 25% of the hospitals serving its area. Nine states require the corporation to obtain approval of the department before commencing business, but no statutory standards for giving or withholding approval are specified. In the remaining states the corporation must obtain the approval of the insurance department after meeting one or more statutory standards. There are a total of 26 requirements in the various states, but the majority of them apply to only one state.

In seven states there is no provision for approval by the insurance department of the form of subscribers' certificates, but in the remaining 33 states, the forms must be filed with and approved by the insurance department. A few states have prescribed certain provisions which must be included in the certificate and the manner in which they shall be set forth.

There are seven states making no provision for approval of rates, while the other 33 require approval. Generally, approval is withheld only on a finding that the charges are excessive, inadequate or unfairly discriminatory.

Only 11 states, by statute, require that the form of contracts between the Blue Cross and its participating hospitals be filed with and approved by the insurance department, and only one state prescribes provisions which must be included in the contract.

Eighteen states provide that the rates of payment from the Blue Cross to its participating hospitals shall be filed with and approved by the insurance department. There is no definite guide in the statutes for giving or withholding approval except in Massachusetts where it is stated that hospitals shall be paid "reasonable costs" or charges, whichever are lower. In only two states is the Blue Cross not required to file an annual report, and in only three states is the department not authorized to make an examination into the affairs of the plans.

There is cited in the survey the statutes of the 19 states having provisions as to reserves, and here again there is a variation, no two states having exactly the same requirements.

In 23 states the Blue Cross is exempted from general taxation. No provisions for taxation is made by another 12 states, so that in them the tax status would be the same as for other non-profit corporations. Three states provide that the plans shall not be exempt from taxes otherwise applicable.

### Ferguson to Los Angeles

Fred W. Ferguson, group supervisor of Washington National in Wisconsin for five years with headquarters at Madison, has been transferred to Los Angeles as Pacific Coast supervisor of the group department. He has been with Washington National 14 years and went to Madison from Toledo in 1946.

### Cal. Cemetery Contracts Ruling

LOS ANGELES—Atty. Gen. Brown, in response to a request from Commissioner Maloney, has handed down an

opinion in which he holds that cemeteries entering into sales agreements with the public for the sale of plots, agreeing that if a buyer dies before the contract is paid, the bill is cancelled, are practicing insurance and therefore require a certificate of authority from the commissioner.

### Mutual Fund Dickering with N. Y. to Get Ban on Group Cover for Buyers Modified

ALBANY—First Investors Corp., the mutual fund sales organization that was recently told by the New York attorney-general that it could not provide group insurance to take care of the uncompleted investment programs of its customers, is attempting to work out in conferences with the New York attorney-general's office some basis under which it would be able to continue providing this insurance protection.

The basis of the attorney-general's opinion was that this was not analogous to group creditor insurance, since there is no creditor-debtor relationship between the buyer of fund shares and the corporation, there being no enforceable obligation to continue the projected purchases of shares over the years.

Mutual funds have made considerable inroads into the sale of investment life insurance among the better-heeled prospects. The First Investors group coverage enabled it to guarantee that if a buyer should be unable to complete his program because of death it would be immediately completed for him through the insurance feature.

### Reserves for Unemployment Benefits Reach Record High

National Industrial Conference Board has found that reserves available for unemployment insurance benefits reached an all-time high of \$7.8 billion at the close of 1951, enough to meet the average annual post-war cost rate for 5½ years.

With the exception of Rhode Island, all states and territories showed a net gain in funds available for benefits. The board notes that reserves in 19 states are high enough to furnish financed benefits at the 1946-50 average annual cost rate for at least 10 years, and an additional 22 states for at least five years. However, Massachusetts and Rhode Island would not be able to meet as much as two years' average post-war cost out of their funds. Iowa, Colorado and New Mexico could

meet average annual postwar costs for more than 20 years without collecting another cent in contributions or earning any additional interest. The worst experience has occurred in the states with a strong concentration of manufacturing employment with a few sensitive industries predominating, such as Massachusetts, Rhode Island, New Hampshire and New York.

### Hears Policyholders' Wants

More than 300 policyholders attended the first meeting of the policyholders' advisory committee of Ohio Farm Bureau companies. The policyholders made several suggestions, ranging from bridal insurance to a program for world peace, and including one that the company add a "package plan" which would take care of the average family's basic needs for all types of insurance, property and life.

A Southland Life sales congress was held recently at San Antonio, Houston, and Dallas.

Roy Sherwood, formerly with Sun Life of Canada, has been appointed associate general agent for Franklin Life at Walla Walla, Wash.

You Are Invited

to join one of the greatest sales organizations

ever assembled. It is headed by people who learned about sales problems the hard way. Their first-hand experience has enabled them to create the best sales jobs in America.

New branch offices will be opened within the next ten weeks. They must be manned with capable, trustworthy personnel. We have recently been licensed in a number of new states and plan the greatest expansion program in our history.

Write or phone for an appointment.

**BANKERS LIFE & CASUALTY COMPANY**

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157,546  
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660,263  
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## Difficulty of Getting Agents Steps Up Cultivation of Brokerage Business

The ever-increasing difficulty that life companies have been experiencing in obtaining new agents, particularly since the Korean outbreak, has been quite a factor in the interest these companies have shown in getting more life insurance business from fire and casualty producers.

Companies that have aggressively sought this brokerage business have been stepping up their activity. Some have even begun setting up separate agencies in the larger cities to specialize in brokerage business. And some companies that are not currently going after brokerage business are seriously considering tapping this source of production.

### Other Reasons, Too

Fortunately for the life companies, there are other reasons why brokerage business has more attraction than it used to, entirely aside from the greater difficulty of getting business from full-time agents. For one thing, it has been found that brokerage business rarely results in any reduction in the actual

and potential production of the full-time agents. The general insurance man has a different type of entree. His efforts seem to complement rather than supplant those of the strictly life man.

Then there is the greater willingness of general insurance men to get educated in life insurance and its selling methods. They are willing to sit through courses and show a real interest in learning about life insurance.

Usually they do not take readily to the more aggressive sales technique of the life agent but that doesn't matter too much if they have the usual good contacts. The broker sells his life insurance much as he sells fire, automobile, burglary, and A. & H. policies. He has good contacts, is usually on a close basis with many of the people he does business with. Having confidence in him through having bought other types of insurance from him, they feel inclined to buy life insurance from him, too.

The life companies have to use reasonable care in the selection of their brokers and the business they turn in

but they have to do the same with full-time agents. Companies that have aggressively gone after brokerage business on a sound and business-like basis have found that the business is of good quality, persists well and is in general satisfactory. One of the largest companies gets about 30% of its business from brokers and wouldn't mind having more.

Brokerage business is subject to the general criticism that the broker is less likely to be a steady life insurance producer in good times and bad than is the full-time life agent. Many agency department executives feel that brokers are prone to drop their life insurance activity when even a minor economic recession threatens their general insurance business. However, as more and more brokers make life insurance selling a regular part of their work and realize its commission potentialities there should be less danger that they will consider life insurance selling strictly a fair-weather activity.

### Experience in Depression

Some life companies have never taken brokerage business and probably never will but a number of companies that formerly did a brokerage business got out of it completely or greatly restricted their brokerage writings during the depression of the 1930s. Some of the companies turned sour on business obtained from general insurance men when they realized how much of the high mortality "jumbo risk" business, written in the pre-depression era, had come from brokers.

There were also instances where brokers tried to slip over a "groomed" risk. But as these experiences faded into limbo, brokerage business has returned more and more to favor and companies have been getting increasingly back into the field.

## Central Dictation Saves for Some

Substantial savings can often be effected by the use of a new type of dictating equipment utilizing a central recording machine connected with telephones in the offices of those using this equipment. In his talk before a seminar of Society of Life Office Management Assn. Institute graduates, Don E. Slee, Mutual Benefit Life, told how this equipment operates.

There are many departments in life companies, he said, which could well look at their own problems of dictation and perhaps find the central recording system a solution. On the average, one recorder can handle the dictation of eight or nine men without difficulty. This applies where they do an average amount of dictation. The man who has heavy correspondence should retain his own individual dictating machine or secretary.

Cost-wise the central recording method is only about one half as expensive as equipping the same men with individual machines. There is also a saving on service charges because only one central recorder must be serviced as compared with service on eight or nine individual machines.

The dictator simply picks up the dictating telephone, dictates his letter, and hangs up. The process of removing a record from an individual machine is eliminated. It is not necessary for him to take the record out to his secretary or for her to come into his office and take it out to her desk for transcribing.

A typist sits near the recorder at all times, placing fresh records on the central recorder at a signal warning the completion of a record. She takes the completed record, transcribes it, and returns the completed work to the dictator.

This type of equipment might be of particular advantage in departments where men are in the field the major part of the time, coming into the office just long enough to dictate their correspondence.

## Terms Underwriting of British Tighter on Tight Applicants

There is comment by the editor in a recent edition of "The Review" of London, that British underwriters are considerably more strict toward drinking and social immorality than their American counterparts. The editor comments that recently an executive of a U. S. company had reported that persons who admit over-indulgence in alcohol can usually be classified as either "social" or "pathological" and that most of the cases in the social category are accepted at ordinary rates. Though this official did not himself think this was a way to deal with such persons, he gave to the British editor the understanding that this is the general practice of life offices in the U. S.

At this point the British editor comments:

"There is, however, very good ground for believing that British underwriters would not look so leniently on such social indulgences and that the men who went on periodical blinds, even under the most social and unpathological influences, might find it very difficult to obtain insurance on any but hard terms, or on any terms at all, while the farmer who got soused regularly once a week with his cronies at market would not be welcomed with open arms."

### Underwriting Gangsters

The British editor referred to the American case of a life company having paid \$25,000 under the life provision of three policies to a man who had been killed in a gang war. The editor here comments, "The question which forces itself on our attention is how the office came to issue not merely one but three policies on such an individual. The company was reported to have maintained that the life insurer's 'long, grim list of criminal activities' clearly branded him as a vicious, hardened criminal and gangster and that the inference was that he was killed by rival thugs. Apparently there was no question but that he was murdered; but we are not here concerned about whether such a death could properly be classed as accidental. The question which forces itself on our attention is how the office came to issue not merely one but three policies on such an individual. This cannot seemingly be explained away by the supposition that the insurances were granted before the criminal activities of the applicant were known, or at least suspected, for the three policies were issued in 1944 and 1945. Since it is, we believe, a usual practice for American offices to obtain reports on applicants from private enquiry agencies, it seems almost inconceivable that the company in this instance did not have some inkling of the type of individual they were insuring, unless, of course, it was the victim of a cleverly perpetrated fraud, of which there is no suggestion in the reports of the case."

In his search for an explanation of why the Americans seem to be more lenient in their underwriting, the writer says that the difference in the agency systems may have something to do with it, because the American agent is more of a force in his own office and is permitted to do some underwriting himself.

He concludes with the observation that where the British underwriters tend to regard frequent alcoholic over-indulgence as likely not only to have a serious physical effect but to be an indication of weakness of moral character, the American underwriters are largely preoccupied with the accident risk to the drinker.

Ray D. Murphy, executive vice-president and actuary of Equitable Society, has been elected a director of First National Bank & Trust Co. of Montclair, N. J.



# Freedom...

The ideals of freedom... free enterprise and all the many "freedoms" we take for granted... were not new on July 4th, 1776, but on that day they were made a living part of our America. The Declaration of Independence and Bill of Rights gave us the right to enjoy these freedoms only after we had earned them through years of trial and tribulation. These "freedoms" carry with them an obligation for each individual to protect them for future generations.

SOUTHLAND LIFE each year makes it possible for thousands of families to assure individual independence and realize the "freedoms" which stem from the faith of our forefathers.

**Southland Life**  
INSURANCE COMPANY

JOHN W. CARPENTER, President

Home Office, DALLAS

"Serving Since 1908"

LIFE • ACCIDENT • HEALTH • HOSPITALIZATION • GROUP



## Color Stills Prove Valuable Aid

(CONTINUED FROM PAGE 6)

at the end of an electric cord, to advance the film to the next picture no matter how far the projector is from where he is standing. This will be far superior to the usual buzzer, light, or other signal or to the time-honored method of tapping on the lectern with the pointer or the even more time-honored practice of interpolating, "O.K., Buster, let's have the next slide." In fact, it would not ordinarily be necessary to have an operator standing by the projector at all.

### WIDE COST RANGE

There is a wide range in production costs of strip films. Actually the transfer of the picture to the film is often the smallest part of the cost. For example, where it is just a matter of putting a series of photographs or diagrams on a strip film the cost may be around \$200. But if research, direction, and other work involving the services of experts are factors, the cost can run as high as \$10,000, though such a high outlay would be very unusual. In any event, the range of costs is far below that for motion pictures to accomplish the same purpose.

One of the factors affecting film-strip production cost is whether titles are used or not and whether a sound recording is to be made to supply the vocal accompaniment rather than having it done by a lecturer. The use of titles reduces the demands on the lecturer and in some applications may eliminate the need for him. One use, for example, is to run the film through with titles as the only explanatory material for the pictures and at the same time let the audience ask their questions of the man in charge, who can explain and amplify the story told by the pictures and captions.

### Messages Can Be Identical

Use of recorded sound is particularly helpful where those in charge want to be sure that the message gets across to all the audiences in exactly the same way.

One thing that has held back the more general use of strip films is the public's lack of knowledge about what equipment to use. Advice from a local camera store may or may not result in purchase of satisfactory equipment because the projector and screen must be adapted to the conditions in which they are to be used. It is easy for users to become soured after one experience with equipment that was inadequate for the job. A projector without enough lighting power to produce a snappy picture with good color rendition, or a screen so small or coated with the wrong kind of material can ruin an otherwise excellent presentation.

### No Glass-Beaded Screens

Incidentally, the glass-beaded screens widely used for home movies and still projections are not ordinarily well adapted to showing before large audiences because they are so sharply directional. That is, the people who are sitting at more than about a 20-degree angle from a line between the projector and screen see a very much less brilliant image than those facing the screen more directly. For a lecture room of the usual proportions, a "mat" screen is preferable to a beaded screen.

Use of strip films is not confined to teaching salesmen or other employees. It has a wide range of application in the institutional public relations field. These films are a fine vehicle for telling the story of a business or even a single corporation to clubs, associations, and other gatherings. Particularly if the films are in color, they are eagerly sought after by these groups, whose harried entertainment chairmen are constantly on the lookout for something new.

Executives of Training Films, Inc., say that there is constantly increasing

use of audio-visual equipment as an aid in getting across the sales message directly to prospects. It is particularly valuable where the salesman must tell his story to a group, such as an executive committee or a board of directors.

Another field of large and virtually untapped possibilities is the use of films in getting undergraduates interested in a career in some line of business, such as insurance. One use would be to make the films available for showing in a college's vocational guidance program, preferably during sophomore year, the aim being to get sophomores to take courses leading to a career in the exhibitor's line of business.

Another use would be to make available to colleges films that could be used in teaching courses on insurance, for example. Such films would not only convey a much more accurate and attractive concept of the business but should also attract more students to the courses in which they were used.

The annual summer outing for home office employees of **Boston Mutual Life** was held at North Scituate Beach.

## Personnel Step-Up Per Capita Work

A study released by Institute of Life Insurance shows that although life insurance in force is up 67% over 1945, the number of full-time home office employees has increased only 32%.

The Institute's breakdown of the 345,500 life insurance personnel, compared with 344,750 a year ago, is as follows: 110,000, home office; 39,250, agency cashiers and clerks, and 196,250 agents or managers. Increased efficiency is the answer given by the Institute as one of the reasons life insurance costs have been held down in spite of sharply rising costs. It is pointed out that, whereas one worker was required for each \$1,750,000 insurance in force in 1945, the current ratio is one worker per \$2,250,000 in force. The greater output is also attributed to increased use of office machines, improvements in methods and procedures, and on-the-job training.

Although cashiers and agency clerks number one-third more than in 1945, they now handle twice the sales, two-thirds more renewal business, and 75% more premium collections. A similar step-up in man-hour effectiveness is also

shown on the sales side. Although the number of agents has increased one-third since 1945, sales have doubled.

### Insurance Men on Tax Body

WASHINGTON—James L. Madden, vice-president of Metropolitan Life and a director of the U.S. Chamber of Commerce, has been appointed chairman of the chamber's new tax committee. It also includes Ralph B. Lounsbury, president of Bankers National Life; John North, president Phoenix of Hartford, and Chase M. Smith, general counsel Lumbermens Mutual Casualty.

Laurence F. Lee, president Peninsular Life and president of the national chamber, assigned to the committee study of the excess profits tax and a proposed constitutional limitation on federal income taxes.

He said major emphasis was placed on the former subject because the excess profits tax "penalizes efficiency and progress and falls most heavily on those businesses which are doing the best job from their customers' standpoint."

The **Rhode Island** insurance department offices have been moved to 49 Westminster street in Providence, from the State House.



PROGRESSIVE THINKING

# BLINDNESS

...AN EXAMPLE OF

More difficult is blindness due to disease. Most cases qualify at regular rates ...

Provided disease accountable is without general implications or systemic complications.

Total blindness due to injury now gets standard from Continental Assurance ...

Provided (1) it has existed for at least two years (2) applicant is at least 20 years old and (3) well adjusted.

MORE INSURANCE TO




MORE PEOPLE IS EVERLASTINGLY OUR GOAL

- ORDINARY
- GROUP
- GROUP PERMANENT

## Continental Assurance Company

310 S. Michigan Ave., Chicago 4

Continental Casualty Company • Transportation Insurance Company



Associates

**P.S.** Keymen can now have disability monthly income with life insurance through Continental.

## EDITORIAL COMMENT

### Group Committee Off to Auspicious Start

It is reassuring to know that the conferences of the special group committee of National Assn. of Life Underwriters, the American Life Convention and the Life Insurance Assn. of America have got off to such an auspicious start. If these conferences should lead to constructive legislation and practices that would take care of the vexing problems of mass distribution of insurance it would be a great credit to the business and of course particularly to N.A.L.U. for having initiated the discussions.

No one will deny that this entire matter is of the greatest importance to the life insurance business. A dilemma exists and both its horns are sharp. The life insurance business has a definite obligation to foster the spreading of the beneficent mantle of insurance protection as widely as it can. It has to do this not only for business reasons but because failure to do so will give ammunition to socialistic agitators who want the government to do everything where any kind of a case can be made out for the failure of private enterprise to do the job. More insurance is in force than ever before but in relation to national income and the deflated purchasing power of the dollar, life insurance is not protecting people to the extent that it did a dozen years ago and there is every reason to promote its sale by all legitimate and reasonable means.

At the same time, there is the plight of the agent who finds that more and more of his profit snatched from his grasp because so many of his prospects have so large a part of their insurance needs taken care of by social security, group insurance, pension plans, and frequently National Service life insurance. It is often difficult for him to give the type of professional service and advice

that he would like to give and is exhorted to give when it is simply not in the cards for the prospect to buy much more insurance.

There is no easy solution for this dilemma. One consideration that should be borne in mind is that the mass distribution problem covers a broad front and is by no means confined to what has been the sorest point, which is the excessive use of group term insurance on highly paid executives. Group insurance started out as a substitute for passing the hat when an employee died without adequate life insurance protection, a situation that was fairly common. Considerations of income tax and costs have made group term an attractive way of helping out with the estate problems of the upper-bracket executives who are making so much money that practically any increase in salary is taxed so heavily that it results in virtually no addition to the man's take-home pay.

The recent removal of the per-life limit on group coverage in New York state was sought not just by the New York state domiciled companies which were at a competitive disadvantage against out of state companies but very largely by New York state's employers who wanted to make use of group insurance as a means of providing deferred compensation for their executives.

It is clear that there is plenty of heavy pressure from various directions in this whole group insurance problem and they are particularly acute where insurance on highly paid executives is involved. Fortunately, the atmosphere in which the tripartite talks have started off gives every promise of leading to the best solution that can be hoped for, even though it may not be the one that everyone would choose if he alone had the final word.

aviation. Mr. Lydiard served three years with the navy during the war as a combat photographer.

Kansas City Life's **Dix Teachenor** this year passed his 25th consecutive year of membership in the Million Dollar Round Table. Although unable to attend the meeting at Bretton Woods, Mr. Teachenor received a leather billfold from the group in recognition of his maintenance of membership for a quarter century. He has been with the company for 36 years.

Vice-President **Chester O. Fischer** of Massachusetts Mutual recently turned radio commentator when he "filled in" for the vacationing Hubert Kregeloh over Springfield, Mass., radio station WSPR. Mr. Fischer talked on developments in the life insurance industry and was one of 10 prominent Springfield civic leaders who were guest commentators on Mr. Kregeloh's daily 15-minute news program during his two-week vacation period.

**J. Russell Townsend, Jr.**, Indianapolis general agent of Equitable Life of Iowa, has been elected treasurer of Indiana Council of Churches. The council includes almost all Protestant denominations and coordinates their joint activities.

**Edwin W. Craig**, president of National Life & Accident, was one of the honor guests at a banquet in connection with the celebration of the 25th anniversary of Third National Bank of Nashville. Later Mr. Craig honored Harold H. Helm, president of Chemical Bank & Trust Co., New York, at luncheon at National Life.

**H. G. Kenagy**, vice-president of Mutual Benefit Life, has been appointed to the national committee on aging of the National Social Welfare Assembly. The committee consists of leaders in business, labor, government, professions and social work who are concerned with the economic and social problems arising out of the steadily increasing proportion of older people in the population.

**Herbert S. Manthe**, manager at Newark of Mutual Life, has just celebrated his 35th anniversary of service with the company. He has been at Newark for many years and active in organization work.

**G. S. Cutini**, director of training Life of Georgia, was featured speaker at the national convention of Steel Products Co. at Savannah.

### Commonwealth Six-Month Figures Are Corrected

The figures on first six month results carried in the July 18 issue of THE NATIONAL UNDERWRITER for Commonwealth Life reflected ordinary business only and did not include industrial.

Total new business, including ordinary, industrial and group for the first six months amounted to \$64,092,769. This was an increase in force for the year to date of \$30,903,180. This compared with new business of \$47,370,369 for the first six months of 1951 and an increase in force in the 1951 opening half of \$21,766,578.

**Maxwell Hershberg** of the Lester agency for Mutual Trust Life, New York City, is leading all company producers through the first six months.

## DEATHS

**F. J. SENSENBRENNER**, senior trustee of Northwestern Mutual Life and on the board since 1919, died Tuesday at Neenah, Wis., his home.

**ALBERT V. OTT**, 60, manager for Equitable Society in New York City for 21 years prior to his retirement last November, died at his summer home at Hampton Bays, Long Island. He was a veteran of the first world war and had served as president of the Equitable's New York City board of managers.

**MRS. LAURA P. SCHILLING**, 84, wife of Dr. C. E. Schilling, former vice-president and medical director of Ohio State Life, died at Houston, Tex. Dr. Schilling is still a director of Ohio State Life.

**MRS. ROBERT LYNN COX**, 86, widow of a former executive vice-president of Metropolitan Life, died in Montclair, N. J. She was the mother of Carlton W. Cox, Metropolitan manager at Paterson, N. J., and of Howard L. Cox, Metropolitan debit agent, Bloomfield, N. J.

### Cravey Wins a Round in Bankers L. & C. Litigation

The Georgia supreme court has given another decision favorable to Commissioner Cravey in his fight with Bankers Life & Casualty of Chicago.

For one thing the court held that Mr. Cravey was not guilty of contempt of court as charged by Bankers Life & Casualty and the court also held that the other questions involved in the proceedings are moot because the Georgia license around which the fight centered was for a period that has now expired.

This has been a tangled litigation. Bankers L. & C. in the lower court obtained an order to compel Mr. Cravey to issue a license, but Mr. Cravey appealed. Then there was another order gotten and Bankers L. & C. brought contempt proceedings when he didn't issue the license. Mr. Cravey initially insisted that Bankers L. & C. file certain data which the company contended it was not obliged to supply and then Mr. Cravey revoked its license. This is the second time the case has been to the supreme court.

### Two-Week Seminar at S.M.U. for Combination Men Only

For the first time, the Southern Methodist course will offer this fall a two-week seminar on the campus for combination men only. It will be divided into two sessions of one week each, one starting Nov. 10 and the other Dec. 8.

The purpose will be to show the combination men the market for ordinary insurance and how to sell it. It is emphasized that "the course will be nothing academic, theoretical or actuarial." The first week will be devoted to needs and package selling, and the second to simple programming and business insurance.

Tuition for the seminar will be \$100, including books and supplies. Room and board are available on the S. M. U. campus if desired. Similar seminars are planned for each fall and spring.

**Morgan Woodward**, general agent of Prudential at Louisville, had his 25 district agents in Louisville for a three-day briefing on the policies that Prudential is issuing.

## PERSONAL SIDE OF THE BUSINESS

**Michael Galletta**, recently appointed head of Prudential's Maspeth district office at Elmhurst, N. Y., has just celebrated his 30th anniversary with the company. He has spent his entire Prudential career in the Brooklyn and Long Island area. He served with both the army and the navy in the first world war.

**Robert L. Utne**, general agent of Penn Mutual at St. Paul, has been named general chairman for the heart fund drive sponsored by Minnesota Assn. of Life Underwriters.

**Miss Helen G. Irwin** of the legal department of Equitable Life of Iowa has been elected president of National Federation of Business & Professional Women's Clubs. She is the first business woman to be elected president of

the federation in 17 years, the presidency usually going to a woman doctor or lawyer. She has held office in a number of civic organizations in Iowa.

**T. A. Sick**, president of Security Mutual Life, has been named a member of the five-man water advisory board of Lincoln, Neb.

**Alan F. Lydiard**, director of photography of John Hancock, who is deputy commander of the Massachusetts wing, Civil Air Patrol, flew to Portugal July 20, accompanying seven CAP cadets on an exchange program designed to develop international good will. The group, as guests of the Portuguese government, will spend three weeks touring the country and comparing notes on

### THE NATIONAL UNDERWRITER

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# OBSERVATIONS

## Old Republic Makes Time

Time magazine in its July 21 edition carries a story of the success of James Jarrell, president, and his Old Republic Credit Life of Chicago. Time characterizes Mr. Jarrell as the "Woolworth" of the insurance business because of his role in scooping up small premiums in the credit insurance field. It cites how, by concentrating on credit insurance on installment buying and small-bank loans, the company climbed 12th among U. S. life companies in the amount of new premiums paid in 1951.

The article cites how Mr. Jarrell has given the business another flip, concluding a deal with the Hess Bros. department store of Allentown, Pa., to offer policies to its customers on all installment buying. The cost is \$1 to \$3.20 a year for every \$100 of installment credit insurance. Old Republic plans to start selling similar policies to stores throughout the country.

It describes as Old Republic's trump card its offer to the financial houses themselves a straight 40% commission for every policy written. It has been signed up by credit people in some 4,100 banks and financial houses. The company has expanded into credit A. & H. and is now getting into the mortgage insurance field.

The article reports that Mr. Jarrell expects this year, with business already up 63.2%, to write a billion dollars' worth of insurance and to further tap the virtually untapped credit market.

## Retirees Want to Stay On

A study by the pension firm of Edward S. Hewitt of Libertyville, Ill., shows that 68% of industrial workers entitled to maximum retirement benefits prefer to stay on the job. This and other findings are reported in a survey, "Company Practices Regarding Older Workers and Retirement," just completed by Hewitt.

The study covers practices regarding older workers of 657 cooperating companies located chiefly in the heavily industrialized areas of the east and the midwest. Firms participating in the survey had approximately 2,500,000 employees of whom 2,300,000 were covered by retirement plans. Most of them were firms employing more than 250 employees.

The study reports that about one-third of the companies surveyed continue the full amount of life insurance

for retirees and 30% of the companies offer reduced benefits. Only 15% of the companies offer the full amount of A. & H. cover, while 30% continue a reduced benefit.

There were found to be retirement plans in operation in 399 of the companies with the pension type comprising 81% of the total and profit-sharing plans accounting for 13%. Some 52% of the plans require automatic retirement at 65.

In some companies where no compulsory retirement was in effect, up to 50% of those eligible to retire were still at work five years after becoming eligible.

## Recruiting Lags in All Fields

Life insurance is apparently not the only business that is selling a greatly increased volume of business with a proportionately smaller sales force than it had 10 years ago. At a recent meeting of the New York City Sales Executive Club, Al Seares, vice-president of Remington Rand, Inc., said that he had spent some time in trying to find out how many additional salesmen were employed in the last 10 years.

"We have increased the units to be sold in this country about 60 to 75% in 10 years but in this same period only 18 to 20% more salesmen have been added to the payrolls in our respective organizations to move this productivity," he said. "That's an indictment and a challenge at the same time. The time has come for many sales executives to realize the importance of doing a constructive job in analyzing these problems—in thinking and planning for this job in the days ahead."

## Statistics Better Be Believable

Any insurance company that doesn't want to get blasted by the Reporter of Direct Mail Advertising had better not employ statistics that it manifestly can't support. The latest company to get its knuckles rapped in print by that magazine used the following passage in its direct mail solicitation for hospitalization insurance:

"And here's a strange fact . . . although most people realize that one person in every two families will be rushed to a hospital this year, of every 50 persons who get this letter we know (from earlier mailings) that 35 will not read it, 11 will read part and throw away . . . three will put the

card aside, expecting to mail it later . . . one will actually mail it back to us."

Asks the Reporter: "How in heck does any statistician know that 70% of the people receiving any specific letter will not read it? Or that 22% will read only part? The figures are not true. They shouldn't be used as a direct mail gimmick. This 'stunt' should be buried forever."

## Persons Heads L.I.A.M.A. Seminar Steering Group

Henry W. Persons, Chicago manager of Mutual Life, was named chairman of the executive committee of the graduate seminar held by Life Insurance Management Assn. at the Edgewater Beach Hotel, Chicago.

Others on the executive committee are W. Watson House, New England Mutual; Harold Smyth, National Life of Vermont, and Robert E. Wilkins, Prudential, all from Hartford. William A. Fraser, agency manager in Lincoln, Neb., for Bankers Life of Nebraska, was chosen sergeant-at-arms for the class.

There were 43 top-notch managers and general agents attending the seminar, 21 of them graduates of the association's first graduate study course conducted in 1949.

## Stoughton Group Manager

Jason E. Stoughton has been appointed district group manager for Massachusetts Mutual at Pittsburgh. He succeeds J. Donald Cannon, who was appointed general agent for the company there.

Mr. Stoughton entered insurance as district group manager for the Connecticut General at Baltimore in 1940. He subsequently held similar positions with the Massachusetts Mutual and the State Mutual, and, in 1951, was named director of group sales of the United States Life at New York City.

## Lincoln National Leaders

J. D. Marsh & Associates, Washington, D.C., ranked first among all agencies of Lincoln National Life in total paid production for the first half of 1952. The Ben Simon agency, Norfolk, Va. was second and the Freeman J. Wood agency, Chicago, third.

Pacific Mutual has assigned A. Morris Cecil to the Cincinnati claims zone office. William L. Carter has joined the claims staff at Tampa, Fla.

## Mutual of New York Ups Schmidt and Tompkins

Mutual Life of New York has transferred William H. Schmidt to the selection department as assistant to Andrew



W. H. Schmidt



W. H. Tompkins

C. Webster, vice-president for selection. Mr. Schmidt retains his present title of associate actuary. William H. Tompkins has been appointed director of underwriting.

Mr. Schmidt joined the actuarial department in 1943. He was advanced to assistant actuary in 1947 and has been associate actuary since last May. Mr. Tompkins has been with Mutual of New York since 1912. He was senior assistant supervisor of risks prior to his present appointment.

## Ill. Tech to Offer Courses in Actuarial Mathematics

For the first time in the Chicago area courses in actuarial mathematics will be offered this fall at Illinois Institute of Technology. "Life Contingencies" is the first of a series of courses which will be given in Illinois Tech's evening division. Dr. Gerald Berman, instructor of mathematics, will teach the course. Dr. Berman received his Ph.D. from University of Toronto, well known for its courses in actuarial mathematics.

The course will include a review of interest and discount, and studies of annuities, probability, life annuities, commutation symbols and life insurance. Other courses to follow include "Mathematical Theories of Investment," "Probability and Finite Differences," and "Statistics."

Illinois Tech's fall semester will start Sept. 22. Registration will begin Sept. 15.

The San Antonio agency of Massachusetts Mutual has moved to new and larger offices in the Milam building. The agency is headed by Harper H. Bass.

# CENTRAL STANDARD LIFE

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*All forms of Life - Accident & Health*

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## NEWS OF LIFE COMPANIES

### Equitable Has Big Gains in Six Months

Equitable Society in the first six months of 1952 increased insurance in force \$1,150,000,000 to a total of \$18,256,000,000. Ordinary paid for production totaled \$456 million, an increase of \$68 million of 17.5%. New paid for group totaled \$468 million, an increase of \$207 million, or 79%.

Assets of Equitable increased by \$200 million to \$6,300,000,000, and policy reserves totaled \$5,631,000,000. Surplus is now \$484 million.

Equitable has now had 170 death claims from the Korean war totaling \$798,000. There are 27 cases of insured reported missing in action and three prisoners of war, and these involve an additional \$106,000.

Payments to policyholders and beneficiaries in the first six months amounted to \$228,174,903 with 68% paid to living policyholders.

### N. W. Mutual Enters S. C.

Northwestern Mutual Life has been licensed in South Carolina. It does not plan to open a general agency in that state at this time. The new territory will be divided between the present general agencies of Luther Allen, Atlanta, and L. Watts Norton, Durham, N. C., who will appoint district and special agents

for the sections of South Carolina assigned to them.

Northwestern Mutual will also transact mortgage loan business in South Carolina through John S. Williams, its loan agent at Winston-Salem, N. C. It now has more than \$15 million invested in securities of South Carolina industries.

### "Substantial" Interest in Postal Life Sold

Bear Stearns & Co., New York City investment bankers, and Pennroad Corporation, New York investment company, have purchased a substantial interest in Postal Life. The owners of this interest were James R. Williams, U. S. army colonel and a son of Charles F. Williams, chairman of the board, Western & Southern Life, and Laurence Kyte, son-in-law of Charles F. Williams.

Bear Stearns & Co. has been in the general investment banking business in New York for 30 years, and was represented in the Postal Life negotiations by H. T. Shea and Donald C. Lillis, a partner. The Pennroad Corporation, established in 1929, was formerly an affiliate of the Pennsylvania Railroad. Now an independent corporation, it has assets of \$65,000,000.

Postal Life's paid-for new production at the year-end was \$14,703,991, and its life insurance in force is \$62,181,606.

The company's average size policy was \$7,591.

Prior to 1948 Postal Life operated largely on a mail solicitation basis and its progress was not rapid. However, in the past four years the Postal Life has completely changed to a standard agency basis and is now represented in New York State and Connecticut by general agencies.

### Western United Life to Be Launched at Seattle

SEATTLE—Plans for organization of a new Washington life company have been announced by J. R. Cushing, president of Western United Corp., incorporated with \$472,500 capital to serve as a holding company. Mr. Cushing said the new company will be known as Western United Life. It is expected to be set up soon with capital of \$200,000 and \$100,000 surplus.

Mr. Cushing is one of the founders of Old American Life and was a vice-president and director of National Public Service Ins. Co. until he resigned in 1947.

Directors of Western United Corp. include H. P. Everest, acting president of University of Washington; R. J. Hague and E. W. LaBreck, former executives of National Public Service; Dr. Frederick A. Tucker, chief of staff of Doctors Hospital; H. P. Granade, a coast guard officer; Florin H. Cook, Seattle, and Roscoe Cox of Pullman, who will serve as board chairman.

### Monumental Life to Have 25% Stock Dividend

Monumental Life has declared a stock dividend of 25% payable Aug. 14 to stock of record July 21. This action of the directors followed a special stockholders' meeting approving an increase in the authorized capital stock from \$400,000 to \$500,000 shares of \$10 par value.

The regular semi-annual dividend of 60 cents was declared with an extra 15 cents on presently outstanding stock, payable July 24 to stock of record July 21.

After the issuance of new stock, the directors intend to declare dividends quarterly rather than semi-annually, beginning next October. The expected rate at that time will be 35 cents a share.

### Discuss A. & H. Returns

Members of Texas Assn. of A. & H. Underwriters, meeting at Austin, expressed doubt that the A. & H. business can return as much of the premium to the policyholder as was advocated by Charles J. Zimmerman, managing director of L.I.A.M.A., in his talk before the International association at Asbury Park, N. J. Companies writing A. & H. return a higher percentage of the premium than do life companies, according to C. E. McDonald, Girard Life and Guardian International Life.

Emerson Davis, Inter-Ocean, stressed the cost of company operation, citing taxes, acquisition costs and home office overhead as reasons why there must be a limit of about 60% on what can be returned.

There was a report by Jack Sucke, Continental Assurance, president of the Austin association, on the disability insurance sales course given in his city, and plans were discussed for future courses.

### Davis Goes to Indianapolis

Arthur M. Davis has been appointed head of Prudential's Indianapolis No. 1 district office to replace John E. Craigie, retired. He started in 1935 as an agent at Detroit. In 1949 he joined the home office staff as training consultant in the field training division and since 1951 has been regional supervisor of agencies in the Michigan-Indiana region, with headquarters at Detroit.

## RECORDS

Largest June business in its history is reported by Northwestern National, completing a record first half year. New ordinary business written in June was \$7,948,700, 8% ahead of June, 1951. For the six months ordinary sales were \$44,135,700, also 8% ahead of last year and 7% above the previous high of 1950.

New paid-for insurance issued by Northwestern Life for the first six months of 1952, a record-breaker, was \$73,169,883, an increase of \$12,948,556 or 21.5% over 1951. The gain in insurance in force for the six months was \$41,222,191, the largest for any half year in its history and 49% more than for the first six months of 1951, bringing the total June 30 to \$932,329,503.

Southland Life's new business in June was more than 81% higher than for June, 1951. For the first six months, new business exceeded any previous six months period by over 36%.

North American Accident of Chicago has attained \$100 million of life insurance in force, reached on the company's anniversary date, May 13.

Sun Life of Canada now has more than \$5 billion insurance in force. More than 54 years were required to reach the first billion, but the last billion was achieved in less than 4 years. Since the first policy was issued by Sun Life in 1871, policyholders have received from the company more than \$2½ billion in benefits.

The total includes group at more than \$1,380,000,000 an increase during the first six months of the current year of more than \$125 million, or 10%. Annuities are not included in any of the above figures.

New England Mutual's total of \$107 million of new insurance issued during the first six months of 1952 is the largest amount of new paid-for business which the company has yet experienced in a similar period. The figure represents a gain of 14.5% over the same period in 1951. In the first six months of 1952 company agents sold more life insurance than in any full year prior to 1946. Total in force is now \$3 billion 270 million.

Provident Mutual's new paid business for the first half of 1952 totaled \$62,516,000, an increase of 8.2% over the corresponding period of 1951. Insurance in force rose to \$1,476,181,253.

### Apply for TV Licenses

Jefferson Standard Life, Lamar Life and Standard Life of Jackson, Miss., are among interests that have made application for television station licenses with Federal Communications Commission since the freeze was lifted on the building of new stations.

Jefferson Standard operates WBT-TV at Charlotte, N. C., and has applied for one of the television broadcast channels assigned to Greensboro.

Lamar Life and Standard Life are applicants for a channel at Jackson.

United Home Life has been licensed in Kentucky. The company is also operating in Michigan, Indiana, and Illinois.

### Your Problem:

### PREMIUM INCOME

### Your Answer:

### INVESTMENT INSURANCE

Pacific National Life's Investment Insurance sales kit contains everything except the client and he's a cinch with this material:

... Adult and Juvenile Sales Brochures — Adult and Juvenile Mailing Pieces — Suggested Sales Talk — Sample Policies — Illustrated Dividend Schedule

Write Ken Cring today about the sales opportunities and general agency openings with . . .

### PACIFIC NATIONAL LIFE ASSURANCE CO.

411 E. So. Temple, Salt Lake City, U.S.

Roy H. Peterson President Kenneth W. Cring V.P. & Supt. of Agencies

## Let's Talk

### OUR SHIPPING DEPARTMENT WORKING NIGHTS AGAIN—

—and all because of our initial announcement last week of the following new Social Security sales and sales training materials:

*The New R & R Abbreviated Guide To Social Security.* This new guide covers benefits under the new Act in complete detail. Prices: 2-9 copies, 12c each; 10-49, 11c; 50-249, 10½c.

*The New R & R Social Security Handbook.* Designed for agent training. Prices 2-9 copies, 42c; 10-49, 38c; 50-249, 34c.

Our new booklet for the prospect is based on the powerful loss-of-benefits theme. Its title is: *Keep Today's Smiles from Becoming Tomorrow's Tears.* Prices in above-mentioned quantities are: 17c, 16c, 15c.

*Age 65 Work Permit* is the title of our attractive new 2-color Social Security visual selling page. Minimum order of 10, \$1.00.

IF YOU FEEL THAT YOU WOULD LIKE TO GET THESE NEW SOCIAL SECURITY PIECES INTO THE HANDS OF YOUR AGENTS FAST, WE SUGGEST THAT YOU WIRE OR AIRMAIL YOUR ORDER IMMEDIATELY.

### Special Memo on the Revised Social Security Act

THE INSURANCE RESEARCH & VIEW SERVICE INDIANAPOLIS



## AMONG COMPANY MEN

### Equitable Society Advances Five in Group Division, Two in Salary Savings

Equitable Society has promoted five group men. Service supervisors appointed assistant divisional group managers in the field are Daniel F. McGrath, Brooklyn; Ralph N. Bowen, St. Louis, and E. J. Goodrich, Portland, Ore. Robert F. Ende becomes assistant manager of the group department and Arthur C. Diehl becomes assistant to the manager of the division, at the home office.

Mr. McGrath was formerly in Los Angeles, Kansas City, Indianapolis, New Haven and Albany and has been service supervisor and group department service supervisor since his return from service in 1946. Mr. Bowen joined the company in 1949 at Dallas and became a divisional service supervisor at St. Louis in 1950. Mr. Goodrich joined the company in Portland in 1949 and for the past year has been responsible for group activities in eastern Oregon and southern Idaho.

Joining Equitable in 1937, Mr. Ende held various posts in the bureau of group underwriters until 1946 when he transferred to the group department as assistant to the manager, group casualty coverages. Four years later he became supervisor and the following year assistant to the manager of the group department. Mr. Diehl entered the group department, casualty division, in 1949 and devoted most of his time to the New York disability benefits program. Recently he has been expediting group cases involving unusual sale problems.

### Moves to Los Angeles

Otto W. Chadbourne has been appointed head of the salary savings division for the agencies in the newly established western department at Los Angeles, and Aubrey E. Reed has been named to a similar post in the southern department at Jackson, Tenn.

Joining the company in 1946 as an agent in Hempstead, N. Y., Mr. Chadbourne transferred the following year to the home office as instructor in the agency training department. When the special services division was formed in 1948 he became sales consultant and three years later was made salary savings field supervisor for the northeast and part of the New York metropolitan area. He conducted a number of salary savings seminars over the country and helped establish many salary savings units. Mr. Reed started in 1936 with the E. M. Barber agency at Memphis, and became district manager in 1942. He is past president of the Jackson Life Underwriters' Assn.

### Scovell Recruiting Chief

Southland Life has appointed Field Scovell director of recruiting for the agency department. He attended Texas A. & M. College and has had 14 years experience as salesman and sales manager in another field, covering Texas, Oklahoma and Arkansas.

### W. B. Donnelly Advanced

William B. Donnelly of the agency department of Standard of Oregon has been promoted to agency assistant and will assist in developing the company's new A. & H. program.

### Named Regional Supervisors

Norman Hartman and Walter N. Stewart, training consultants of Prudential, have been promoted to regional supervisors. Mr. Hartman will assist Louis E. Kelly, director of agencies of the Michigan-Indiana region at Detroit, while Mr. Stewart will serve in a similar capacity in the North Central region at Milwaukee under Peter C. Zimmer. Mr. Hartman started as an agent at

Gary, Ind., became staff manager there and went to the home office a year ago.

Mr. Stewart was an agent and staff manager at Minneapolis from 1934, except for military service, until he went to the home office in 1950.

### Cobb Named Auditor

Clifford C. Cobb, manager accounting department New World Life of Seattle, has been advanced to auditor and assistant treasurer. He has been with the company for 32 years, starting as a stockroom clerk and advancing through the agency and accounting departments.

### Hancock Appoints Nicoll

John Hancock has appointed Jack L. Nicoll supervisor of field accounts for the general agency department. Mr. Nicoll joined the company in 1928 as agency assistant. He is a veteran.

### Singer Joins New England

New England Mutual has appointed Dr. Richard B. Singer an assistant medical director.

He received his A.B., A.M. and M.D. from University of Pennsylvania and was a navy surgeon during the war.

Dr. Singer has been an assistant professor at the University of Pennsylvania school of medicine and recently completed a research project supported by Life Insurance Medical Research Fund.

### Joins Jefferson Standard

Dr. Van W. Gunter has been appointed assistant medical director of Jefferson Standard Life.

He graduated from the Medical College of Virginia in 1946 and interned at Rex Hospital in Raleigh, N. C. Following three years of general practice, he joined Acacia Mutual as assistant medical director in 1950.

### Plans Shaping for New Northeastern Life in 1953

The Trygg insurance group of Stockholm, one of the leading insurance groups in Sweden, has taken the preliminary steps toward entering life insurance in the United States by obtaining a charter for a new life company organized under the laws of New York. The new company is named Northeastern Life Insurance Co. of New York.

While plans for operation of the company are being formulated, it is not expected that application for license and actual transaction of business will be under way until some time after Jan. 1.

## POLICIES


### Higher Non-Medical Limits for Minnesota Mutual

Minnesota Mutual has approved the following non-medical limits, which apply to both males and females: ages 0-14, \$5,000; ages 15-19, \$7,500; ages 20-30, \$10,000; ages 31-35, \$7,500; ages 36-40, \$5,000. No more than these limits will be considered without an examination regardless of time lapsed between applications. After such examination the above limits can again be written non-medically; but after \$40,000 is in force in the company no further non-medical insurance can be written.

Income disability may be underwritten non-medically at ages 20 to 40 for the company's non-medical limit for those ages. At ages under 20 and over 40, if income disability is applied for, the applicant must be examined.

### Issues Mortgage Redemption

Midland National Life has introduced a twenty-year mortgage redemption policy, a combination of decreasing term and ordinary life. Each unit of the plan provides for \$5,000 of life during the first year, decreased by \$150 each year



## IT'S VACATION-TIME IN TENNESSEE

Tennessee, one of the nation's choice Vacation-lands, invites you to come to the Volunteer state this summer.

There's a good fishing lake within fifty miles of every resident of Tennessee, . . . there are the Great Smoky Mountains and the national park named for them, . . . beautiful Middle Tennessee with its rolling hills and its famous Tennessee Walking Horses . . . leveling off to the rich agricultural center of West Tennessee.

And in Nashville, there's the largest Life Insurance company in the South. When you come to Tennessee, drop by and visit us.

# The NATIONAL LIFE and ACCIDENT *Insurance Company*

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Home Office: NASHVILLE, TENNESSEE

for the first three years, by \$200 each year for the next five years, by \$250 each year for the next five years, by \$300 each year for the next two years, and by \$350 each year for the net two years, reaching an amount of \$1,000 at the beginning of the eighteenth year and remaining level at that point throughout the life of the policy.

### Conn. General Increases Limits on All Ages

Connecticut General Life will consider on any one life a maximum amount, including any insurance in force in Connecticut General, according to the following schedule: (life and endowment) ages 0-5, \$100,000; ages 6-20, \$150,000; ages 21-55, \$300,000 (insurance income policies, \$200,000); ages 56-60, \$200,000; ages 61-70, \$100,000; term and term riders, ages 15-20, \$75,000; ages 21-55, \$150,000; ages 56-60, \$100,000. In the case of life and endowment policies, the underwriting department will exercise some flexibility regarding maximum limits of issue if the business originates through a full-time Connecticut General agent or first-line broker and the necessary amount of reinsurance is available.

The maximum amount of single premium life insurance which will be considered is the following amount, less any previous insurance in force in Connecticut General, single premium and annual premium insurance combined: ages 5-20, \$75,000; ages 21-55, \$155,000; ages 56-60, \$100,000; ages 61-70, \$50,000.

The maximum amount of substandard insurance which will be issued grades from \$200,000 down, depending on the medical rating, occupational hazards, and age of applicant.

National Life of Iowa will now issue its standard ordinary life policy up to age 65. It was formerly issued to age 60.

## LIFE AGENCY CHANGES

### N. Y. Life Has Two New Mich. Branches

New York Life has opened two new branch offices in Michigan, setting up a second office at Detroit and a branch at Lansing.

Frank C. Crum, New York Life agent at Detroit, has been named manager of the existing office there and Louis P. Gepford, former manager at Toledo, will head the new Detroit branch. Melvin C. Brown, former manager at Fort Wayne, has been transferred to Lansing to direct that office.

Mr. Crum has long ranked among New York Life's leaders. He is a life member of the Million Dollar Round Table and a winner of the national quality award for seven years; a member of the Top Club Council and a past president of New York Life's Agents Advisory Council. He replaces Paul C. French, who was killed in an automobile accident last May.

#### Other Promotees' Careers

Mr. Gepford, with the company since 1936, has been manager at Toledo for four years. Earlier he was assistant manager at Cincinnati and Detroit and training supervisor for the central division.

Mr. Brown joined the company in 1937 after graduation from Albion College, Albion, Michigan, served as an agent until 1941 and was named assistant manager in charge of the Lansing sub-office in 1942. He went to Detroit as assistant manager in 1946 and in 1947 was promoted to manager at Fort Wayne.

William E. Ray has been named manager at Fort Wayne office and Donald L. Wulz at Toledo. Mr. Ray

has been assistant manager of the central branch office at Chicago since 1947. He has been with New York Life more than 25 years, serving in Wisconsin until he went to Chicago. Mr. Wulz, 32, is one of New York Life's youngest managers. He joined the company in 1947 and in 1949 was appointed assistant manager at Milwaukee, he became associate manager in 1951.

### N. W. Mutual Names Miller General Agent in Oklahoma

Arthur W. Miller of Billings, Mont., has been appointed general agent of



Arthur W. Miller

Northwestern Mutual Life at Oklahoma City. He will succeed Albert B. Irwin, who asked to be relieved of his organization duties because of ill health. Mr. Irwin, with the company since 1919 and Oklahoma City general agent for 22 years, will continue with Northwestern Mutual in personal production.

Mr. Miller, after completing college, did graduate work at the Universities of Illinois and Minnesota and was a teacher before entering life insurance in 1935. In 1938 he joined Northwestern Mutual as district agent at Marshall, Minn., where he won the bronze, silver and gold production awards.

After navy service, he was appointed general agent at Billings in 1947. His agency won the M. J. Cleary Award for 1949, 1950 and 1951.

### Pacific Mutual Ups Four in Group Offices

Four men in the group field force have been promoted by Pacific Mutual. William B. Keller, named manager of the Chicago group office, has managed the Newark group office since 1950. Keith Lewis, group field representative in Chicago, becomes assistant manager there.

Mr. Keller, a Purdue graduate, joined Pacific Mutual in 1949 serving at Los Angeles and Newark. Mr. Lewis has been with Pacific Mutual since graduation from Northwestern University in 1950.

Promoted to manager of the New Orleans regional group office is John Knauf, group field representative there since his transfer from Denver in 1951. He joined Pacific Mutual in 1950 upon graduation from Loyola University of Los Angeles.

John J. Jacobs, Jr., named assistant group manager at San Francisco, has been group field representative there since 1951. With Pacific Mutual since his 1950 graduation from University of California, he served at San Francisco and Houston, then back to San Francisco.

### Boston Mutual Shifts Two

Boston Mutual Life has named Louis I. Leon manager at Worcester, Mass. He has been district manager Woonsocket, R. I., and formerly was an agent and assistant district manager at Worcester. In his new post he succeeds the late Bernard J. McCormick.

Max S. Bell becomes manager at Woonsocket. He has served as an agent Cambridge and assistant district manager at Allston and Waltham.

### Glueck Heads New Agency

Charles H. Glueck has been made general agent of Manhattan Life at Gary, Ind. He is president of Mid-City Investments, Manhattan Life mortgage correspondent in Gary and Indianapolis.

Milton Savill will serve as agency

supervisor of the new agency. He was in the business for 6½ years before joining Manhattan at Gary early this year.

### Union Central Changes Rudy, Teitrick at Harrisburg

Union Central Life has appointed George W. Rudy manager and Paul R. Teitrick associate

manager at Harrisburg, Pa. Mr. Rudy moves from Grand Rapids, Mich., where he started with the company three years ago. Mr. Teitrick, the son of the late Reed B. Teitrick, former general agent for the company at Harrisburg, has been acting manager at Harrisburg, but will now devote more time to personal production at his own request.

Mr. Rudy is a graduate of the Purdue institute. Formerly he was a personnel director in several large department stores. He is an army veteran.

Mr. Teitrick started with the company in 1924. After the death of his father in 1930 he became manager at Harrisburg and assumed acting managership of the combined Altoona-Williamsport-Harrisburg agency when the offices were consolidated last year.

### Name Erickson at Spokane

Norris Erickson has been named general agent for Lincoln National Life at Spokane. He started with the company in 1946 as an agent at Madison, Wis. He is an army veteran.

### Nelson New Assistant at Peoria

Leonard R. Nelson has been named assistant general agent of the Small



George W. Rudy

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agency of Lincoln National Life at Peoria. Prior to joining the Small agency, Mr. Nelson had five years' experience in life insurance as an agent and more recently as general agent.

### Shaffer Succeeds Ruhl for Prudential; Noon Retires

Prudential has appointed Russell R. Shaffer district manager at McKeesport, Pa., to succeed Carlyle P. Ruhl, who transfers to DuBois. Mr. Ruhl replaces Eugene A. Noon, who has retired.

Mr. Shaffer was formerly regional supervisor of agencies at Pittsburgh. He joined the company at New Kensington in 1935, and became staff manager at Tarentum in 1946. He was appointed regional supervisor at Detroit in 1949.

Mr. Ruhl went with the company at Erie in 1933, and later became staff manager there. He is a graduate of Lafayette college, and a veteran.

### Jefferson Standard Names Good District Manager

Jefferson Standard Life has named R. G. Good district manager at Columbus, O. Mr. Good was formerly agency secretary Ohio State Life. He entered the business with that company in 1933, and entered personal production at Columbus in 1944.

### Named by Pan-American

Pan-American Life has named Richard J. Edwards general agent at Houston. Mr. Edwards was formerly general agent there for Monarch Life. He has been in the business since 1933. He is a graduate of New York State College of Agriculture, and a veteran.

### Hancock Transfers Four

John Hancock Mutual Life has made four changes in its field organization.

Roger A. Palmer, regional manager in the west central territory, has been appointed regional manager in the east central territory. He is succeeded by Merrill W. Kidman, formerly district manager of the Uptown (Chicago) office.

Gerald A. Brillion is the new district manager of the Uptown office. Before his appointment, he was regional supervisor in the southern New England territory. Assistant District Manager George E. Lovett of the Providence East, R. I., office of the John Hancock has been named new regional supervisor in the southern New England territory.

### Barrett Joins Prudential

Emmett E. Barrett has been appointed assistant manager of the Portland agency of Prudential. He was formerly with American Mutual Life and has long been active in Portland insurance activities. He is a graduate of the University of Portland.

## ACCIDENT

### Study to Be Made of Hospital Operation in Mich.

LANSING, MICH.—At the suggestion of Commissioner Navarre, Michigan Hospital Assn. has authorized a thoroughgoing study of hospital operations in this state, which is expected to be invaluable in determining adequacy of rates for Blue Cross hospitalization coverage. Consideration had been given to such a survey for some time.

The Arthur Anderson Co., C.P.A.'s of Chicago, has been retained to conduct the study and it was announced that "teams of experts" would be working in Michigan for from four to six months to obtain a comprehensive picture of the hospital situation.

The commissioner's letter noted that a large segment of the population now is covered by some form of hospital insurance and that all of the "facts and factors" behind hospital costs should be determined.

"It is not my intention," the commissioner wrote, "to imply that today's hospital costs are not fully justified or that hospitals are not prudently managed. None of us really knows all the facts. We need objective light on the whole problem."

### Announce DISC Lecturers for Sessions at Purdue

Special lecturers for the disability insurance sales course to be conducted at Purdue University Sept. 15-20, sponsored by Indiana Assn. of A. & H. Underwriters, have been announced.

They include E. H. O'Connor, Insurance Economics Society, on "The Basic Need for Disability Insurance" and "Government Regulation;" R. W. Osler, Rough Notes, "History and Development of the A. & H. Business" and "Classes of A. & H. Coverage;" Roy MacDonald, assistant director H. & A. Underwriters Conference, on policy provisions, mass selling and underwriting; Carl Lane, General American, St. Louis, on prospecting; Chester Elson, training director of Mutual Benefit H. & A., on "Principles of the Approach, Presentation, Answering Objection and Closing;" W. G. Coursey, managing director International Assn. of A. & H. Underwriters, on "Legal Points the Agent Should Know," and three officials of Hoosier Casualty; Harold Moore on claims, C. Norman Green, on "Your Responsibility to the Agency and Company," and Charles Ray.

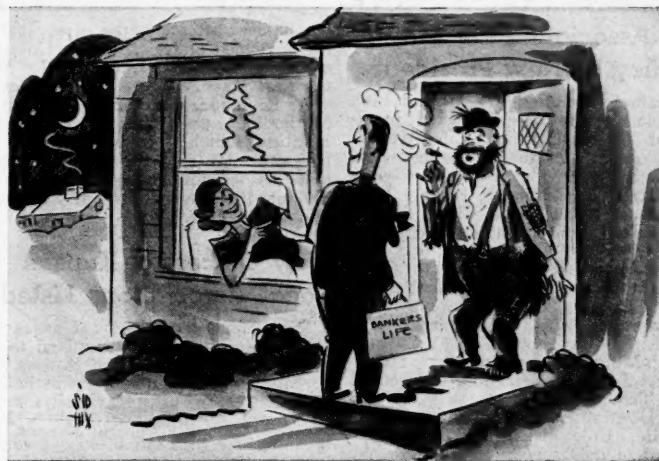
These lecturers will be in addition to the regular staff members of the Purdue Marketing Institute, under Hal Nutt, director of that school.

### Holmes Renominated for Commissioner in Montana

On unofficial returns, John J. Holmes of Great Falls, incumbent state auditor and ex-officio insurance commissioner of Montana, who was unopposed for the Democratic nomination, received 58,288 votes in the primary last week.

Bruce O. Mefford of Missoula won the Republican nomination over three opposing candidates. Mr. Mefford has been public safety commissioner at Missoula for two years. Before that he was a mail carrier.

Mr. Holmes has been Montana commissioner since 1933, and previously was a local agent at Great Falls. He led all Montana candidates in number of votes in the 1948 election.



"Don't let his costume fool you . . . We're going to a hard-times party!"

## Bankerslifemen Aren't Easily Fooled

Bankerslifemen don't fool or trick prospects and so they are seldom fooled . . . certainly not by the kind of a costume shown in the picture.

With the training they have and the contracts and service they have to offer, Bankerslifemen don't have to try to fool anyone. That helps build their prestige in the communities where they work — makes people anxious to cooperate with them.

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**flexible...** Pacific Mutual's complete personal protection plans ARE flexible—more flexible; to sell in the first place, and to re-sell if the policy owner's needs change. One reason—they include ACCIDENT & SICKNESS DISABILITY INCOME.

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## NEWS OF LIFE ASSOCIATIONS

### S. C. Association Elects Hendley as New President

William S. Hendley, Jr., Mutual Life, Columbia, is the newly elected president of South Carolina Life Underwriters Assn. Alvin H. Jones, Life of Georgia, Greenville, is executive vice-president; J. Doyle Smith, Liberty Life, Columbia, secretary, and Clyde Sisson, Aetna Life, Columbia, national committeeman.

Approximately 250 agents from throughout the state attended the annual meeting at Columbia. New sectional vice-presidents are W. T. C. Bates, New York Life, Orangeburg; T. V. Huey, Pacific Mutual, Spartanburg; Harry Haigler, Life of Virginia, Florence; T. J. Troublefield, Life of Georgia, Rock Hills, and W. S. Minter, Carolina Life, Columbia. Immediate past president of the association is J. Harold Hudson, State Farm, Greenville.

The best association award went to the Greenville association. It was accepted by Alvin H. Jones, who served as president there the past year.

A leadership school was held for officers and committee chairmen. Messrs. Hendley, Jones, Sisson and Smith were elected delegates to the N.A.L.U. meeting.

### Spencer Is Tenn. President

Tennessee Assn. of Life Underwriters, meeting at Knoxville, elected A. DeForest Spencer, Chattanooga, as president; William Shasteen, Jackson, 1st vice-president; Fontaine Williams, Johnson City, 2nd vice-president and Edward E. Brown, Chattanooga, secretary. The 1953 annual meeting will be held at Chattanooga.

### Advanced Institute in N. C.

Eighty-five agents representing 12

companies attended the first institute for advanced underwriting at University of North Carolina, sponsored by North Carolina Assn. of Life Underwriters.

A. R. Jaqua, director of the Southern Methodist course, directed the one-week institute, which is to be held each year hereafter. He said the "biggest job the state association has is to keep the individual life insurance agent well trained and up to date."

### New Officers of Kansas Local Associations Listed

New officers of the 17 Kansas local associations have been reported to Secretary Martin G. Miller of Kansas Assn. of Life Underwriters. They include:

Allen-Neosho, president Leslie Norton, Iola, and state committeeman H. E. Walters, Chanute; Central Kansas, president Frank H. Templeton and committeeman Grant Hoener, both of Great Bend; Coffeyville, president Joe G. Metzger and committeeman Harry D. Brown; Emporia, president Mrs. Anna Mae Bell, Madison, and committeeman George B. Brinkley, Emporia; Hutchinson, president E. A. Vickers and committeeman Fred R. Kilm; Independence, president Joseph T. Potts, Fredonia, and committeeman Clyde O. Braden, Independence; Lawrence, president John R. Chaney and committeeman Clifford D. Dean; Leavenworth, president Don Weldemier and committeeman Steve A. Nowowiejski; Manhattan, president Jack Ellis and committeeman E. C. Booth; Northwest Kansas, president George R. Dennison, Hays, and committeeman Ray Robinett, LaCrosse; Parsons, president John Manges and committeeman Fred Newberry; Pittsburg, president Vergil H. Howard and committeeman H. H. Murty; Plainsman, president Wilbur E. Meckenstock, Oberlin, and committeeman J. Weslie Whitney, Norton; Salina, president Virgil Baer and committeeman Bert Rogers; Southwest Kansas, president Albert L. Shank, Liberal, and committeeman Russell Hunter, Dodge City; Topeka, president John S. Spencer and committeeman Andy Sowers; Wichita, president John V. Coe and committeeman Maurice R. Coulson.

Secretary Martin reports a very active

year, with a record membership of 750 and goal of the new administration headed by Vaughn A. Kimball, Dodge City, "802 in 1952". Thirty-three officers representing 12 associations attended the training school at Emporia directed by Elliott Belden, Salina, past president.

### Detroiters Elect Pinney

Detroit Assn. of Life Underwriters has elected N. Earl Pinney, Mutual Benefit Life, president. Vice-presidents elected are Harry N. Phillips, Sun Life of Canada, and J. Randolph Kennedy, New England Mutual Life. William M. Milligan, Manufacturers Life, is the new secretary, and Earl A. Kelly, Penn Mutual Life, treasurer.

### N. C. 1953 Meeting Set

Next year's convention of North Carolina Assn. of Life Underwriters will be held at Sedgefield Inn, near Greensboro, June 12-13, with the Greensboro and High Point associations as sponsors, it was decided at a meeting of the association's executive board at Greensboro. The next board session will be held at Durham in mid-October.

**Pennacola, Fla.**—The following officers were elected: C. Milton Smith, president; William Connor, vice-president; Bennie Woolam, secretary, and Jeff Fordham, treasurer.

**San Antonio**—At the July meeting the new officers were presented, headed by Marlon Coulter, Paul Revere Life, as president.

With O. L. Butler, Connecticut Mutual, as moderator, a skit, "The Confused Stockholders," was given by members who have completed the L.U.T.C. course. Jesse N. Fletcher reviewed the highlights of the state association convention.

**Oakland-East Bay**—Rear Adm. T. Earle Hipp discussed the navy's community relations in the East Bay area.

**Thomasville, N. C.**—Clarence S. Maxwell has been elected president; J. T. Scroggs, vice-president; Ira W. Beeson, Jr., secretary; Clyde Drye, national committeeman, and Edgar A. Beane, state committeeman.

**Marshalltown, Ia.**—New officers are: President, Harry M. Livingston, Mutual of New York; vice-president, Carl Mellick, Metropolitan; secretary, Clifford Phillips, Minnesota Mutual; national committeeman, C. R. Cline, Prudential; state committeeman, Jack Haefner, Prudential.

**McCook, Neb.**—The Republican Valley association has elected Ted Gray of Security Mutual Life president.

## AGENCY NEWS

### Complete Brokers School

The Rosenbaum Brooklyn agency of Mutual Benefit Life has completed a school for brokers which was held at the agency's new branch office at New York City. Enrollment was limited to ten brokers who were instructed in simplified programming techniques by Mr. Rosenbaum, James Carr, Leon Jonas and Henry Hirsch, members of the Brooklyn agency. The next school will be on business insurance and is scheduled for September.

### Hemphill Agency Leads

Hemphill agency of Equitable Society at San Francisco led all Equitable agencies in ordinary production for the first six months of 1952. It also ranks first in combined ordinary and group production for June.

Seven of its agents are included in Equitable's list of 100 leaders.

### Beneficial Awards Watches

Roland W. Brown and M. Price Hutchings of the Idaho Falls agency for Beneficial Life, received gold watches at a dinner marking their membership in the company's Multi-Millionaire Club. Watches were also presented to their wives. The presentations were made by George J. Cannon, executive vice-president. Club membership requires over \$2 million in force with the

company. Mr. Brown has been with the company since 1938, Mr. Hutchings since 1939.

### New Orleans Agency Cited

The New Orleans agency for Pan-American Life was cited on three counts for its contribution in the recent President's Month campaign. The agency was company leader in paid volume, premiums, and top producers. Miss B. B. MacFarlane, supervisor, and Fisher E. Simmons, Jr., assistant supervisor, received the citation on behalf of the agency.

### Youngman Leads Mutual Benefit

The Youngman agency at New York City of Mutual Benefit Life led the company for the first six months of 1952 with a paid-for volume of \$6,172,920, a gain of 14% over the first half of 1951.

Walter T. Daenitz was agency volume leader and John H. Hanway was lives leader.

The Lester I. Lester agency of Mutual Trust Life at New York City has won the president's trophy cup for the second quarter of 1952. This cup is awarded the agency achieving the largest increase. Maxwell Hershberg was the leading producer in the agency.

## WANT ADS

Rates \$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday morning in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER  
Life Insurance Edition

### AGENCY SUPERVISOR WANTED

We are an Illinois Company and we want a man who can extend our production force for us in Illinois. Outstanding opportunity for the man who can produce results. Compensation is based on salary, bonus and necessary traveling expenses. All inquiries treated confidentially but give full particulars as to age, experience in the life insurance business and expected remuneration. Address L-91, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### ASSISTANT MANAGER WANTED

For St. Louis, Missouri Agency. Old established eastern company. Most progressive in the business. Will spend half of time in organization, recruiting and training and half of time in personal selling. Excellent salary, bonuses and commissions. Opportunity for your own agency in 2-3 years. State past experience and production record. Our agents know of this opening. Man with 2 to 3 years life selling will be considered. All answers strictly confidential. Address M-55, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED - Assistant Manager -

4 or 5 years life experience to call on Chicago loop life men as well as general insurance men. About 35 years old, good salary, bonus, and expenses plus personal production. An opportunity for advancement, have promoted three men in last two years. You will represent a company with 2 billion in force. Apply, giving complete resume, to Box M-42, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### AVAILABLE

20 years experience as manager of life underwriting policy issue department. Now employed. Excellent background, good references. Will locate anywhere. Address M-43, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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*Congratulates its  
field associates on  
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## L.I.A.M.A. Panel Gives Practical Replies

(CONTINUED FROM PAGE 2)

Hughes. He was asked, "When I start, how will you help me?" Mr. Hughes produced nine proposal cards which he said makes the agent's work easier. He enacted a routine with Mr. McEuen using one of the cards to demonstrate an ease of opening for the newcomer. Mr. McEuen then wanted Mr. Sullivan to explain his commission rating. Mr. Sullivan said that agent commissions would be based largely upon family commitments after they were distinguished as needs, rather than wants. He would introduce the prospective agent to A. & H. production which, he said, makes his commissions seem more real.

As to a basis for promotions, Mr. Barker, also on his second time around, emphasized that promotions can come each year on a financial basis. The final question was addressed to Mr. Pejeau: "What are the average earnings of your agency?" Mr. Pejeau replied that, since the pay-off is a top rung, averages generally mean little. Granted that the New York Yankees represent one of the highest paid ball clubs with an average player earning of "X", the .350 hitters will always receive "X" plus 1, he said.

Despite a hollow beginning—"two empty offices and a floral bouquet from the home office"—Troy Ziglar, Prudential, told how he managed to recruit and retain 23 of 24 agents since beginning agency operation at Pasadena in 1950. His staff also includes the current Tournament of Roses queen, which seems like good recruiting in any business.

Local ministers, presidents of independent banks, and secretaries of chambers of commerce were solicited for agent recommendations. Mr. Ziglar selected the ministers because he felt Pasadena was essentially a church town. However, his best results were achieved through the independent bankers and chamber of commerce secretaries. He pointed out that the bankers usually grew up in the community, and know the needs and wants of most prospective agents as prompted by their financial conditions. Chamber of commerce secretaries were selected because they are rarely replaced with changes in city administrations.

### Ziglar Uses "I" Test

When he found a man with "the feel of a success pattern", Mr. Ziglar would submit him first to the "I" test, based as follows: impression; integrity; interest; immaturity; instability; industriousness; intensity. He emphasized that while searching for agents he was, at the same time, building agency prestige.

The story of the company, its policies and their competitive rate structures, and what the prospective agent could expect by way of training were discussed in early interviews. The agent learned that he would be in safe hands through three years of thorough training in elementary, intermediate, and advanced stages. Having built an agency force through these methods, Mr. Ziglar said he can now face newcomers with complete biographical sketches of his sales personnel led by an attorney and former guided missile engineer. Thus prepared, he can challenge the newcomer to qualify for membership on such a team.

David S. Kamp, New England Mutual, San Francisco, never advertises for recruits. Newcomers joined the agency through members sold on the idea that the agency is their organization. Mr. Kamp relies on the overall impression of the agency force more than his own before deciding to accept a candidate. He uses an aptitude test only as an eliminator, and a check on judgments rendered.

The prospect receives literature, and the book, "This I Believe". Mr. Kamp then discusses the business, his company and agency in generalities, while getting impressions on what the new-

comer has absorbed through the reading material. The pre-training plan is explained during a visit of the candidate and his wife at the manager's home. By now the candidate learns what is expected of him, while the agency has him measured for needs and strength. Mr. Kamp said the procedure costs only time and results in the newcomer's satisfaction in knowing that the agency is doing everything possible to help him. Vernon W. Holleman, Home Life, Washington, D. C., said he prefers carefully selected prospects for individual training rather than mass selection for production-line training. He offers a "well-organized picture of opportunity". The prospect is encouraged to talk at length in order to determine his interests, "where he has been, and where he expects to go". Newcomers are checked personally through their recommended sources. In calling on the sources, Mr. Holleman pointed out that he also builds agency prestige as well as prestige for the new man.

Mr. Pitcher said that without a plan, a general agent is "running in a squirrel cage."

He urged a diagnosis chart to measure agents for personal effectiveness, working habits, prospecting, and quality of business as foremost in agency planning. Next he recommended careful analysis of the agent's past production record, and consideration of the current agency market.

### Profitable Agency Operation

B. Carl Wharton, Fidelity Mutual Life, Harrisburg, and Mr. House discussed profitable agency operation. Mr. Wharton listed low agent turnover, low lapse rates, personal production, and favorable expense items as factors that make for profitable operation. Mr. House emphasized that the manager must get cost breakdowns on all operations. He declared that without the breakdowns there is no way of knowing how far to extend agency development while still making a reasonable profit.

Displaying a four-foot cardboard mock-up of a producer, Henry W. Persons, general agent of Mutual Life at Chicago, presented an entertaining story of "The Birth of a Salesman" at a mid-seminar meeting.

Mr. Persons indicated by the wood support that his man had a strong backbone. The legs represented his market; the head, intelligence, and the arms helped keep records. A fully-equipped briefcase placed in the left hand, and a valentine heart, indicating the agent's love for the business, were the finishing touches.

Another panel on recruiting, headed by Herbert W. Florer, Aetna Life, Boston, followed Mr. Persons. Participants were Richard P. Koehn, New York Life, Memphis; Hugh G. MacGregor, Crown Life, Montreal; E. Leo Smith, Massachusetts Mutual, Indianapolis, and Messrs. Wilkens and Persons.

It was determined that deans of colleges, alumni secretaries, and physical education instructors were the best centers of influence for recruiting college graduates. Salesmen, young attorneys, and teachers were also recognized as good agent timber.

Ferrel M. Bean, John Hancock, Chicago, speaking at the final session, told how he guides a newcomer along gradually through package selling, modified programming, and finally, estate planning. Mr. Bean said that by bringing his men along in stages they would find an effective working arrangement, and at the same time, realize the agency's help toward continuous improvement. He concluded that "contentment with present attainment is the cause for all decline."

Panels on supervision and motivation also featured the final meeting. Frederic M. Peirce, associate director company relations, moderated the supervisory panel. Members were Oliver R. Aspegren, Jr., Ohio National, Chicago;

Mutual, Oakland; Arthur P. Johnson, Great-West Life, Detroit, and L. W. Spickard, Bankers Life of Iowa, Milwaukee.

Lewis W. S. Chapman, director company relations, headed the panel on motivation. Participants were James H.

go; Frank W. Dedman, New England Doyla, Imperial Life of Canada, Toronto; E. Herbert Peirce, Mutual Life, Providence; Ben Simon, Lincoln National, Norfolk, and Mr. Smyth.

Charles J. Zimmerman, managing director, summarized the seminar.

# \$7,726,000

It was a GREAT campaign  
—our 1952 Anniversary Campaign

In the five week period beginning May 1 and ending June 7 we produced a total of \$7,726,000 Written, Examined and Paid for business, for a new all time record high Anniversary Campaign production.

CONGRATULATIONS to every Bankers Life salesman who made this outstanding production record possible.



**Bankers Life**  
INSURANCE COMPANY  
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**An Old Line Company with an outstanding Record of the Low Net Cost.**

**Ins. in Force December 31, 1951—\$246,139,001.**

**Agency Openings for Lutherans in 21 states.**

**LUTHERAN MUTUAL LIFE INSURANCE COMPANY**

Waverly, Iowa

# Sales Ideas That Work

## Business Life Sales Approach Is Based on Tax Advantages

STATE COLLEGE, PENN. — A new approach to the sale of business life insurance whose appeal to prospects is based on the fact that it offers a source of tax-free income was given here this week by Hal L. Nutt, director of the Purdue University Life Insurance Marketing Institute, at the annual Penn State Institute of Life Insurance Marketing.

Attended by more than 110 eastern agents, the institute was sponsored jointly by the Purdue Institute and Pennsylvania Assn. of Life Underwriters. Arrangements were in charge of B. Carl Wharton, Fidelity Mutual, Harrisburg.

If offered a year ago, Mr. Nutt said this approach would have made an agent a subject for psychiatric treatment. He continued: "Mr. Businessman, until a few months ago, there were only three ways you could get income from your business: Salary, dividends, sale or liquidation — and each of the three increases federal income tax paid. Would you like to learn of a fourth source of income, which is a deductible item to your business and tax-free to the person who receives it?"

### Dramatic Approach

Search all you will, Mr. Nutt said, but you won't find a more dramatic and compelling approach to a business man. There has just been offered a source of tax-free income, and try to find the man who isn't interested in that.

This opportunity for tax-free income results from the 1951 amendment to the internal revenue code, Section 22, (b), (1), (B), which defines "income" and establishes the permissible exclusions. The provision reads: "Exclusions from gross income: Life Insurance . . . under a contract of an employer providing for the payment of such amounts to the beneficiaries of an employee, paid by reason of the death of the employee; whether in a single sum or otherwise (but if such amounts are held by the insurer, or the employer, under an agreement to pay interest thereon, the interest payments shall be included in gross income). The aggregate of the amounts excludable . . . by all the beneficiaries of the employee under all such contracts of any one employer may not exceed \$5,000."

The provision applies to the beneficiary of any employee, Mr. Nutt commented. "Your prime prospect is the closely held corporation, but you need

not totally exclude those types of business organizations known as sole proprietorships and partnerships. You must differentiate according to a few simple rules:

"(1) Every employee of a corporation is a potential beneficiary of this provision of the code, whether he owns stock in the corporation or not. In one sense, he is a stockholder, but he is also an employee in an entirely different sense.

"(2) Sole proprietors and partners are self-employed, and thus excluded from the classification of 'employee.' However, they hire other men, without a proprietary interest in the business, and these employees are often 'key men' who can benefit from the amendment to section 22.

Reduced to its simplest terms, Mr. Nutt explained that this provision states that the beneficiary of a deceased employee may receive from the employer a tax-free income of \$5,000 — such income to be paid under a binding contract between the employer and the employee.

Since the corporation pays \$5,000 in fulfilling the terms of an agreement between it and its key men, thus making the corporation liable for such payment, it follows that the corporation can deduct that amount of money as a business expense.

Corporations pay income taxes, just as do individuals. There is imposed a "normal" tax of 30% on every dollar of net income. A "surtax" of 22% is levied against corporate income in excess of \$25,000. Thus, corporate income of \$25,000 or less is taxed at a minimum rate of 30%; income in excess of \$25,000 is taxed at a minimum rate of 52%.

If applicable, there is imposed an "excess profits tax" at a rate of 30%, applied against the corporation's adjusted excess profits. On some of the top dollars, it would seem that the normal tax (30%), the surtax (22%), and the excess profits tax (30%) would bring a total tax of 82%). However, there is an effective limitation of 70% of the corporation's total taxable income.

Competent authority indicates that the average closely held corporation pays a corporate income tax averaging about 40%. This is a "small business," the owner of which can be seen by the average on favorable terms. Therefore, seldom if ever will there be quoted a corporate tax much in excess of 40%

or 50%, and the preparation of policy illustrations should keep this fact in mind.

No idea is a good one unless it is negotiable, Mr. Nutt observed, asking just how may Section 22 be used as an "outside influence" aiding the sale of life insurance? The prime prospect for this idea is the close corporation. Even though it might apply to employees of sole proprietors and partners, it is ordinarily limited to the corporate form of business. As pre-approach material, Mr. Nutt suggested the following letter:

"Dear Mr. Businessman:  
"Has there been called to your attention the 1951 amendment to section 22 of the internal revenue code?"

"Until that amendment was passed by Congress, there were only three ways to get income from your business: Salary, dividends, sale or liquidation — and each of the three increases the income tax you pay to the federal government.

"Would you like to learn of a fourth source of income, which is a deductible item to your business and tax-free to the person who receives it?"

"There are no tricks here, Mr. Businessman. The law is plainly written. The government has recognized the obligation existing between an employer and dependents of a key employee.

"Neither is this a gift on a silver platter. You can learn about it with the investment of just 30 minutes of your time. I will call you on Wednesday and ask if you would like to take advantage of the provisions of section 22 of the internal revenue code."

### Strong Points

According to the speaker, an effective presentation might emphasize certain things: (1) Section 22 itself. It is suggested that there be typed on one sheet of paper the applicable provisions to be used as visual material. (2) Deferred income. This is the only way the key man (who is also a stockholder) can defer a portion of his income with little or no cost to the corporation. Everybody likes deferred income, because it is economical from an income-tax point of view. (3) Corporate and personal income taxes. Ascertain from the prospect the tax bracket of both the corporation and the key man. (4) Life insurance premiums are never deductible, and income from life insurance is tax-free. The employer will not be able to deduct as a business expense the premiums paid, but he pays no tax on the proceeds if the key man dies. However, payments to the employee's beneficiary will be deductible as a business expense. Thus, if the employer is in a 40% tax bracket, the \$5,000 payment will cost him a net of only \$3,000.

Mr. Nutt gave the following illustration of a plan to finance employee death benefit of \$5,000.

(1)	(2)	(2)	(3)	(5)	(6)	(7)
If Death Occurs at Age	Aggregate Premium Cost	Excess of Death Benefit Over Premiums Paid	Death Benefit to Beneficiary	Cost to Corporation After Taxes	Tax-Free Profit Payment of \$5,000	Net Cost After Payment of \$5,000
1	13	4,870	5,000	3,000	1,870	....
5	650	4,350	5,000	3,000	1,350	....
10	1,300	3,700	5,000	3,000	700	....
15	1,950	3,050	5,000	3,000	50	....
20	2,600	2,400	5,000	3,000	....	600
25	3,250	1,750	5,000	3,000	....	1,250

Column 2, aggregate premium cost, assumes an average annual premium of \$130 for \$5,000 of ordinary life issued at age 40. The form would be more accurate if there was used the actual net premium for each year of the proposal. Column 3 is the amount of proceeds received at death, over and above the premiums paid. At that point, and in a sense, the corporation has made a profit. Columns 4 and 5 assume a cor-

porate tax bracket of 40%. Which is to say: if the corporation did not pay the \$5,000 to the key man's beneficiary that sum would stand as profit to the corporation and suffer an income tax of 40% of \$5,000, or \$2,000.

If, however, the payment is made, it is a deductible item to the corporation and thus it costs only \$3,000 to pay the beneficiary \$5,000. If the corporation were in a 70% bracket, the cost would be only \$1,500. Columns 6 and 7 show the profit and cost, as the case may be depending on the year of death. In this illustration, if the employee dies within 15 years, the corporation will pay the beneficiary \$5,000 and still have a profit which may be added to surplus. It is only in the later years of the plan that the corporation suffers a cost at all.

It is necessary that there exist a contract between the employer and the employee, Mr. Nutt warned. He emphasized that the prospect's attorney, not the life insurance agent, be called upon to prepare the final document.

## Woman's Benefit Nebraska Organization Elects

The Nebraska organization of Women's Benefit Association, which held its annual meeting at North Platte will meet next year at Omaha.

Mrs. Dorothy Winter, Omaha, was elected president to succeed Mrs. Bessie Moore, North Platte.

Mrs. Isabella Jones, Columbus, was named vice-president; Miss Barbara McEvoy, North Platte, musician; Mrs. Ruby Loop, Grand Island, chaplain; Mrs. Minnie Thanel, Brady, and Mrs. Goldie Blede, Brady, sergeants-at-arms.

## Protective Leaders Honored

New members of Protective Life Leaders Club were given gold keys at the company's annual banquet. Club members completing five, 10, 15, 20, 25 and 30 years in the club were given diamond insets for each five-year period. Membership in the club now includes 53 qualifiers. Volume leader and president of the club is Earl Andrews, Montgomery, Ala.

Securities Acceptance Corp. has placed a \$3,600,000-4% subordinate note, due in 1967, with Mutual of New York. Proceeds of the loan will be used to refund about \$3 million of debt now held by Mutual of New York, and the balance will be added to working capital.

## THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

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## ASSISTANT ACTUARY

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If you have completed at least five of your actuarial examinations and have had some experience (not essential) in the Group Annuity Field, please get in touch with us. The position is assistant to the Group Actuary with a salary commensurate with experience and qualifications. It offers a very bright future. All inquiries confidential. Please give full particulars as to experience, training, education, and personal qualities. Send your reply to Box M-23, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.

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## Would Divvy up Pensions with Pros

(CONTINUED FROM PAGE 4)

the other fellow's job and say, 'Why not insure that guy for \$100,000 so you won't have to do his job, along with your own, if he croaks.'

Mr. Earls remarked that 30% of the Cincinnati agency's \$12 million paid for in 1951 was due to business insurance. He also pointed out that more big sales are being paid for by corporation dollars than by individual dollars.

A situation to look for is a hard-driving executive with sons whom he expects to come into the business or are already started, according to Mr. Earls, who then suggests \$100,000 or so on the father's life "just to help the boys along when they have to take over the whole thing themselves." The selling point, of course, is to appeal to the man's pride and sense of importance, for, as Mr. Earls says, "One of the troubles about business insurance is that it is cold and factual. When you bring emotion into it, this makes it live and you can motivate the prospect to do something right now. So use the thought of pride and love of his children to make this key man realize that business insurance should be on his life."

### Get Father to Insure Son

Another similar use of the pride-and-self-importance psychology is to develop a case, where the executive already has key man insurance on his own life, to insure the son or sons immediately. Mr. Earls says to the father, "Of course you are running the show now, but sometime your son is going to take it over and you should have key man insurance on his life right now. There may be a time when he won't be able to get insurance, so get it now while you are running the show and have the company pay the premium."

Where two insured sons are involved, Mr. Earls talks with them separately to sow the seed for a buy-and-sell agreement when they fully own the business, thereby using his key man sales as a means of prospecting for future business.

When Mr. Earls turns up a case where business insurance involves various companies' older policies on the 3 1/2% reserve basis, he points out to the insured the great value of the options in such policies for an individual compared with the value to the corporation. He then proves that the slight differential if any, in case of insurance bought at present age makes little difference to the corporation, particularly if the policyholder owns the corporation.

The old policy becomes personal insurance, and new insurance is purchased for the corporation.

Mr. Earls does not discuss the technicalities of Section 102 (improper surplus accumulations) with a prospect, but does find that a reference to this law frequently opens up a discussion resulting in key man sales.

William A. Ewing, second-year man in the Pittsburgh agency, took his audience along for "An Afternoon at the Harvey's" to demonstrate effective ways of selling the younger insurance market.

"Our country is full of Harvey families today," Mr. Ewing stated and continued: "Young men are making more money today than any period I can recall. Engineers are stepping out of college into jobs paying \$350 a month and up starting salary. Steel mills hire high school graduates at hourly wages that often total \$100 a week! Their marginal dollars will find their way into some type of investment—and the wide-awake young underwriter is obligated to make sure as many of these men as possible hear the story he has to tell."

### Never Kill 'Em

"Never kill the man you are talking to," Max M. Matson advised. This phrase points up his sound knowledge of psychology which has made him a million-dollar-producer and many times the company's leading agent.

Mr. Matson always kills off the partner, rather than the man he is talking with, because men naturally want the best of any deal and prefer to feel that they will live and get the benefit of the business insurance arrangement. Yet he builds partnership as well as personal sales on the basic premise that "people do things for fear of what might happen if they don't."

"Never talk to members of the corporation in a group the first time," Mr. Matson suggests. "To get the best results, talk to each one individually before you have a meeting of the partners. In that way you can create the necessary fears and also build up the individual's ego, making him of great importance to the firm. Then, when you get them together, they each feel important and are more willing to go ahead with your plan."

### Fear of Partner's Wife in Business

Mr. Matson stimulates the man's natural fear of having his partner's wife in a business relationship, and even plays up the jealousy which may exist between partners' wives. He often opens a discussion with "Would you like to be in partnership with your partner's wife, or, worse still, the wife's second husband?" ("And," he confided to his associates, "when I talk about this second husband, I point out that he may be a tricky, conniving gentleman—because men that marry women 50 years old or older frequently marry for money!")

Building on the selfish angle, Mr. Matson stimulates the man's natural belief that he is really smarter than his partner and is the key man in the business. After agreeing with the man's feeling that he hopes nothing will happen to his partner, that he could carry on the business alone if necessary, Mr. Matson removes the fear of the partner's wife in the business by pointing out that if there is a buy-and-sell agreement and life insurance in force, the man won't be particularly perturbed whether or not anything happens to his partner.

When Mr. Matson is confronted by the statement that the prospect has sons or sons-in-law coming into the business, he recommends a stock purchase agreement to give the estate an opportunity to repurchase the stock at the same price they sold it. But he pointed out that "in no case should they be allowed to purchase over 20% of the stock in one year. This gives the family of the

deceased an opportunity to determine whether they want to continue in business, the possibility of successful continuance, and the qualifications of the son or son-in-law to make the operation successful. I am sure you will find that if this opportunity is given to the family of the deceased, they will seldom avail themselves of the repurchase clause, but

it does weigh in answering the objection that they want the business for a son."

"The main thing," Matson said in closing, "is to create peace of mind between the partners and their families. This peace of mind cannot be created without first creating fear and bringing them face to face with the situation."

of the most versatile, most flexible policies ever written. It's an attractive, low cost, two-fold security plan that combines the best features of both limited pay life and endowment policies and enables the policyholder to choose either feature at Age 65.

### LIFE PAID UP AT AGE 65

with Cash Benefit

\$10,000 — Age 65 (Minimum \$2000)

provides		Lifetime Protection
1. \$10,000	No premiums after Age 65	
	AND	\$1,500.00
2. Cash Benefit at 65	Plus accumulated dividends*	2,985.80
	TOTAL	\$4,485.80

OR

If protection of \$10,000 is not needed after 65	
Cash Value	\$ 9,241.00
Accumulated Dividends*	2,985.80
Total Cash Value and Accumulated Dividends*	\$12,226.80
Total Premiums — 30 Years	10,293.00
\$10,000 Protection for 30 Years and money back, plus	\$ 1,933.80

OR

AT AGE 65  
\$75.30 Lifetime Monthly Income with Accumulated Dividends\* included.  
Any balance of first 120 months payments continued to Beneficiary.  
Annual Premium: \$343.10.

\*The dividends in this illustration are neither estimated nor guaranteed, but are computed on the same basis as the scale of dividends in effect at the date of this illustration (July 1, 1951 Basis). Similarly, the interest rate assumed is that currently allowed on such accumulations.



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- ✓ Field Supervisory Assistance
- ✓ Sales Aids
- ✓ Home Office Cooperation
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## FIDELITY LIFE ASSOCIATION

Home Office - Fulton, Illinois

Robert U. Redpath, Jr., New York estate analyst, was a guest lecturer at the University of Denver this week. He spoke on "General Semantics and Life Underwriting."

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RICHMOND ATLANTA

## N. W. Mutual First Half Sales Up 14.7%

(CONTINUED FROM PAGE 1)

over \$47 million of new loans for a net increase of \$25 million to bring the account to a record high. The yield on all new mortgage loans acquired so far this year is 4.48%.

"It is estimated that our net yield on investments before federal taxes has now improved from 3.21% for 1951 to 3.36%. We anticipate a further improvement by the year end," Mr. Fitzgerald commented.

Total assets of Northwestern Mutual reached \$2,816,000,000. This included bonds of \$1,975,000,000, and preferred stocks of \$48,250,000. The mortgage loan account was increased to \$585,500,000, and total real estate amounted to \$46,800,000. Among other items were policy loans of \$84,000,000, and cash of \$20,704,000.

New paid-for business for the first half totaled \$246,143,000, a gain of \$31 million or 14.7%. Insurance in force at June 30 was \$6,725,000,000 on 1,459,731 policies, reflecting an annual rate of growth of 5%. Disbursements included death benefits of \$34,436,000 paid on 8,148 policies. Policyholders and beneficiaries received a total of \$78,746,000, and an additional \$21,916,000 was distributed to beneficiaries from funds left with the company to be paid out under income plans of settlement. Total disbursements were \$127,058,000. Also included were \$7,132,000 in taxes, and \$20,339,000 in dividends to policyholders. Total income was \$201,479,000, and consisted principally of \$123,369,000 in premiums, and \$47,702,000 in interest and other investment earnings.

### Lunch for New Agents

Agents who were attending their first meeting were guests at a luncheon Monday with E. T. Proctor, Nashville, as chairman. Lewis T. Stearn, Minneapolis, talked on what it takes to get started in the business and what lies ahead. He emphasized that the circle of acquaintances of the agent should constantly be increased and advised against spending too much time concentrating on small groups of people he knows.

At the first general session, with William C. Dunbar, Duluth, Minn., presiding, the agents heard addresses by company leaders on the art of selling in today's profitable markets.

Claire A. Thomas, Madison, Wis., related his methods of selling youth insurance. His approach to parents is based usually on the query, "Have you given your son enough of a head start?" In selling children insurance, not only does the agent set up a potential larger market in the future, but he has an opportunity to arouse interest in insurance in the parents and older members of a family.

The insured savings plan which has been advocated by William C. Roeder, general agent at Sioux City, Ia., was presented by him and three of his agents. Mr. Roeder referred to surveys that revealed that over 65% of the people asked why they originally bought life insurance said they bought it because of the savings feature in the policy. Asked why they continue to pay premiums, more than 65% replied that they realized that the cash value of the policies was increasing and resulted in a savings plan for them. While all prospects should not be expected to buy the insured savings plan, the well-trained agent should know when to switch to planned income or other types of selling. Assisting Mr. Roeder were Curt Chausse, William Zimmerman and Gene Egan.

A simplified definition of business insurance was offered by Ernest D. Haseltine, Jr., Haverhill, Mass. He termed it life insurance paid for with business funds, going on to point out that the sale of business life insurance is as easy for the average agent as is the sale of personal life insurance. The field of business insurance has been neglected by the average agent because of the

illusion that it is mysterious and requires a tremendous amount of technical knowledge and special selling skills. The average agent not only is capable of selling the business market, he said, but by prospecting in that field will find his other sales increasing.

The silver anniversary of the C.L.U. movement was observed Tuesday morning. Ben S. McGiveran, Milwaukee, reviewed the national history of the movement. Mr. Hill, who became a C.L.U. in 1928, pointed out that one out of every nine agents of his company holds the C.L.U. designation, as do one out of every three of the 100 leading agents, and 57 out of the 132 million dollar producers. Carl McCann, Indianapolis, president of the Northwestern Mutual C.L.U., presided at the ceremony.

David B. Fluegelman, New York City, said the professional aspect of life underwriting is given due recognition through the C.L.U. movement. He mentioned that prospecting is not a chore as it is in selling many other things. The agent has the choice of people he wants to do business with. He warned against allowing a prospect list to become top heavy with inactive cards. Those who are not real prospects should be placed in an inactive file but retained where there is a possibility that their situation may change as to needs or ability to buy. Keep in the active file the names of men whom you know you have a reasonable chance to sell.

### Enthusiasm Important

Mr. Fluegelman said one must like people to be successful in selling life insurance. Enthusiasm plays an important part, he remarked. The prospect is told the greatest story he will ever hear. Learn to make more sales with fewer interviews. Stress needs, rather than low cost. Don't become too complex in programming. It is better to do a little good than to do a great deal of harm.

An enthusiastic talk by William J. Grede, Milwaukee, president of National Assn. of Manufacturers, stressed that individualism and community spirit brought the country into a position of world leadership and is still the most important force.

The million dollar parade dedicated to the 132 Million Dollar Round Table members among Northwestern Mutual agents, opened the Tuesday afternoon ceremonies. Kenneth Bentley, Danville, Ill., one of the two youngest life members of the M.D.R.T. in the country, described "My Million Dollar Formula." A talk on "Leadership in Our Business" was given by John O. Todd, Chicago, past chairman of M.D.R.T.

### M.D.R.T. Skit Repeated

Problems in the life of an agent who has been in the business for some time and has been quite successful were depicted in the insurance drama, "Stardust," written by Laffin C. Jones, executive assistant of the Northwestern Mutual Life, and presented by the Shorewood players. The play was originally written for the Million Dollar Round Table meeting at Bretton Woods, N. H.

The last morning of the convention was given over to taking the agents "Behind the Scenes" of company operations. Mr. Hill acted as chairman and introduced officers who brought the agents up to date on current happenings in their departments.

They were Robert E. Dineen, vice-president; W. B. Minehan, secretary; J. N. Lochames, director of underwriting, and Paul Frazer, assistant director; Dr. G. F. Tegtmeyer, medical director; P. B. Langmuir, manager of industrial investments; Elgin G. Fassel, actuary, and Mr. Jones.

Old American Life is now occupying its new home office at 1619 Terry avenue, Seattle.

## Debit Agents Write Property Coverage

(CONTINUED FROM PAGE 1)

alty facilities available to attract some of this business to supplement his income.

The debit life insurance agent operates in the humbler neighborhood where fire and casualty business is small potatoes and is often passed by and unserved by the local fire and casualty agents. Perhaps it would be uneconomical for the local fire and casualty agent to go around making individual solicitations for this coverage.

These, then, are some of the reasons why the situation exists today. In some fire and casualty quarters, quite a bit of thought and talk has been devoted to the problem. For instance, at a recent meeting of Delaware Assn. of Insurance Agents, there was a lengthy discussion on the subject, pointing out that contracts between life companies and their agents prohibit the latter from handling other coverages. It was reasoned by some present that complaints registered directly with the life insurance companies involved should end the asserted trespassing. There some opposition to this idea in the vein that it is not the place of the Delaware association to enforce contracts between life insurance companies and their agents. There were also fears that a policy of getting tough with the life men would work both ways.

## Study Proves Purdue Course Can Save Marginal Agents

(CONTINUED FROM PAGE 1)

ing out of this fatalistic device and salvaging a considerable proportion of the men we now lose.

"This study does not show us how to do this, nor does it justify an immediate relaxation of your post-selection standards. It does show us that it is worth a concerted try to find out how to revise the concept of post-selection to include the saving of men through effective training and supervision."

While it has been frequently assumed that the extremely high proportion of eventual failures among men with initially poor performance demonstrates that the industry's problem is largely one of selection, the results of the Purdue study now place this assumption in considerable doubt, the report states. Adding, "Intelligent investment in training and supervision offers much in obtaining the answer to our problems."

## Caughman to Occidental

John E. Caughman, former San Francisco insurance newspaperman and public relations consultant, is now assistant brokerage manager there for Occidental of California.

From 1945 to 1950 Mr. Caughman was life insurance editor for Underwriters' Report and later did free lance work for insurance journals. He now edits Producer, official organ of San Francisco Assn. of Life Underwriters.

## Prudential Feels Quake

Prudential's western office building at Los Angeles suffered slight damage as a result of the earthquake which originated at Tehachapi, Cal. Some plaster, it is reported, fell in the Prudential building, and there was slight damage to elevator guy wires.

## Illinois Assessment Order

The Illinois department has ordered assessment companies to report their 1952 transactions on the legal reserve annual life insurance statement blank. The director has advised those companies which are not familiar with the blank to apply to the department for a 1951 edition, which will be substantially similar to the new blank.



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**JAMES J. CORBETT**



**A CHAMPION IN HIS FIELD!!!**

**A CHAMPION IN ITS FIELD!!!**

GENTLEMAN JIM, the dandy of the prize ring. A fine boxer, a strong puncher, Corbett held his title for 5 years. HE WAS A CHAMPION.

UNITED BENEFIT, setting the pace in the industry. Half a billion in force in twenty years. \$877,000,000 in 25 years. ONE BILLION JUST AHEAD. THIS IS A CHAMPION.



## THE NORTHERN LIFE INSURANCE COMPANY

### Provides its Underwriters —

- Generous First-year Commissions
- Full Renewals to the 15th Year
- Group Life-Accident-Health Protection
- A Life Income Pension Plan
- Prize-winning Sales Helps
- A FULL Sales Kit, Including Life, Accident, Health, Hospitalization, Group Life, Group A & H, Salary Savings

Managerial Openings in Newly-opened Midwestern Territory. Write Direct to Home Office; L. J. Myklebust, 940 Des Moines Bldg., Des Moines, Iowa.

## NORTHERN LIFE INSURANCE COMPANY

Established 1906

D. M. MORGAN, President  
 Home Office: Northern Life Tower  
 Seattle, Washington

**LIFE \* ACCIDENT \* HEALTH**  
 Issued together at a substantial saving,  
 or separately



*the record  
 speaks for  
 itself*

PAID TO POLICYOWNERS . \$232,168,319  
 INSURANCE IN FORCE . . \$891,360,030  
 ASSETS . . . . . \$253,879,280.76

as of December 31, 1951

## KANSAS CITY LIFE INSURANCE COMPANY

territory in 39 states and the District of Columbia

## 50th Anniversary Year

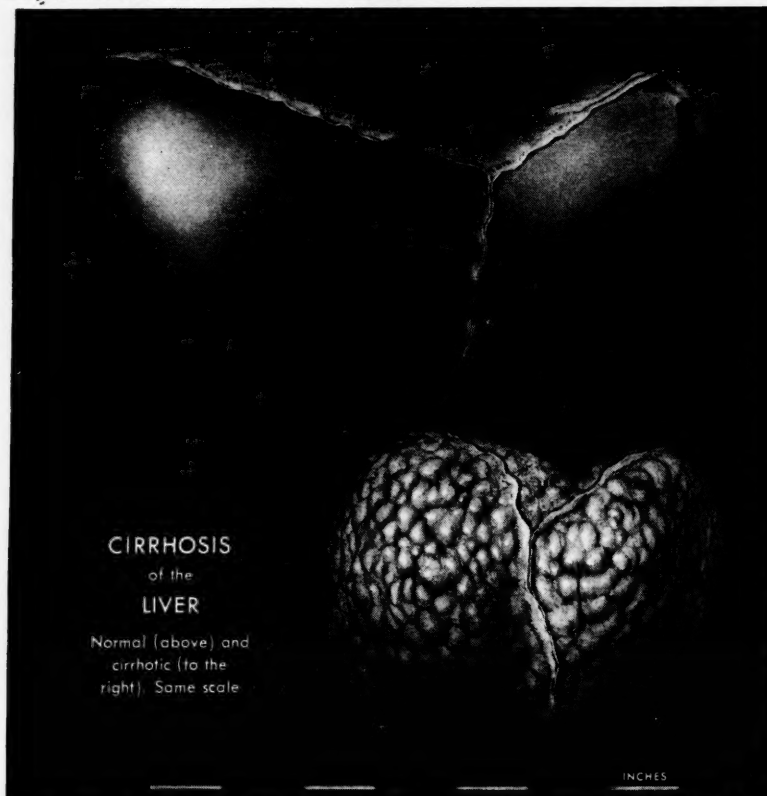


### Pertinent Statistics

Insurance In Force . . . . . Over \$607,000,000  
 Assets . . . . . Over \$144,000,000  
 Benefits Paid Since Organization . . Over \$ 63,000,000  
 Certificate holders . . . . . Over 423,000

## AID ASSOCIATION FOR LUTHERANS

Legal Reserve Fraternal Life Insurance  
 HOME OFFICE: APPLETON, WISCONSIN



Drawings by Jean E. Hirsch

## Longer life for people past 40

Your liver is the key organ in the metabolism of your body. Without it you cannot live. That is why you should know that cirrhosis of the liver is on the increase among Americans of 40 and over.

Cirrhosis is a degenerative disease in which the liver first becomes enlarged and then gradually shrinks, changing its normally smooth, satiny structure for a rough, hobnail-like scar tissue. All this while, the liver's function is steadily being weakened until the condition at last proves fatal.

Medical research in recent years has determined that cirrhosis may develop from any of a variety of causes, the most common being dietary deficiency accompanying excessive use of alcohol. It can also result from obstruction of the bile ducts or from infection. The ailment is three times as common in men as in women.

Although the disease is often unsuspected, symptoms can be detected through simple examination by the physician. The condition can be checked and the liver's functions largely restored if discovered early enough and, thanks to advances in geriatrics, many thousands of people who would otherwise be hopeless victims of cirrhosis are being guided back to happy, useful living.

Extraordinary progress in geriatrics, which is already resulting in longer life for millions, calls for sounder-than-ever planning to assure financial solvency in those later years. Your Northwestern National Life agent, paid not primarily for sales but for satisfactory service, can be depended on to help you plan wisely for a financially comfortable future through life insurance.

**FREE PAMPHLET:** "Liver Cirrhosis" gives facts to help you guard against this ailment. Sent on request.

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**OF MINNEAPOLIS**

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